

2024 ASC and ALCA Budget Presentation



Budget & Financial Planning Meetings for 2024 Budget

- **7/19/23 Mid-year review and Budget Schedule**
- **8/19/23 ALCA Budget & Capital and Reserve Study discussion**
- **9/7/23 ALCA Reserve Study Review**
- **9/13/23 Review of ASC Budget, Long Range Forecast & Reserve Study**
- **9/28/23 Review of ASC Budget and various forecast models**
- **10/04/23 ALCA Budget Review**
- **10/14/23 3rd Quarter Review, Reserve Study & Funding Strategies & Forecast Models**
- **10/21/23 ASC Final Review and Recommendation**
- **10/25/23 Final discussions for Budgets & Forecast Models**
- **10/31/23 Budget & Forecast Recommendations sent to Board.**
- **11/01/23 Committee Chairs sent budget recommendations to Board.**
- **11/09/23 Board Session**
- **11/15/23 Board Session**



Agenda



ASC Budget



Comments/Questions



BOD Vote



Break



ALCA Budget



Comments/Questions



BOD Vote

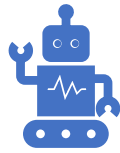




Arrowhead Sewer Company 2024 Budget



2024 Assumptions & Facts



Staffing will remain stable. We now have 2 licensed operators. This will assist in efficient operations for years to come.



Inflow & Infiltration Remediation has shown excellent results however, we must stay the course and not deviate from plan. The 2024 budget is \$275,000.



Reserve study completed by Kipcon, a professional engineering company. Study was completed during the 3rd quarter of 2023. Required annual reserve funding is \$735,954 per year beginning 2024.



Arrowhead Sewer Company

Sewer Service Fees

	2024	2023	Increase	%
• House Annual	\$1,000.00	\$950.00	\$50.00	5.3
• House Quarterly	250.00	237.50	12.50	5.3
• Lot Annual	500.00	450.00	50.00	11.0
• Lot Quarterly	125.00	112.25	12.50	11.0



Arrowhead Sewer Company

Selected Operating Measures 2024 Budget versus 2023 Budget



Increase in Sewer Fee – Revenue

\$68,951

5.2% (A)



Increase in total Operating Expense

\$24,580

3.2% (B)



(A) Increase in sewer fee



(B) Increase due to higher cost of goods and services





Arrowhead Sewer Company

2024 Capital Projects

• Sewer Mainline Replacement	\$175,000
• Collection Laterals	100,000
• Treatment Tank Cleaning	60,000
• Sewer Manhole Relining	36,000
• Lehigh/Paxinos Engineering	20,000
• Pump Station 2 Security Cameras	12,000
• Intercompany Loan Repayment	400,000
• Misc Engineering	<u>12,500</u>
• Total Capital Projects	\$815,510

**All capital projects will be paid by reserve fund savings*



2024 ASC Operational Goals

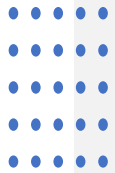
Continue to remediate I&I in all basins, in order of priority concerns and task focus.

Continue to support professional development of personnel in wastewater operator continuing education and licensing.

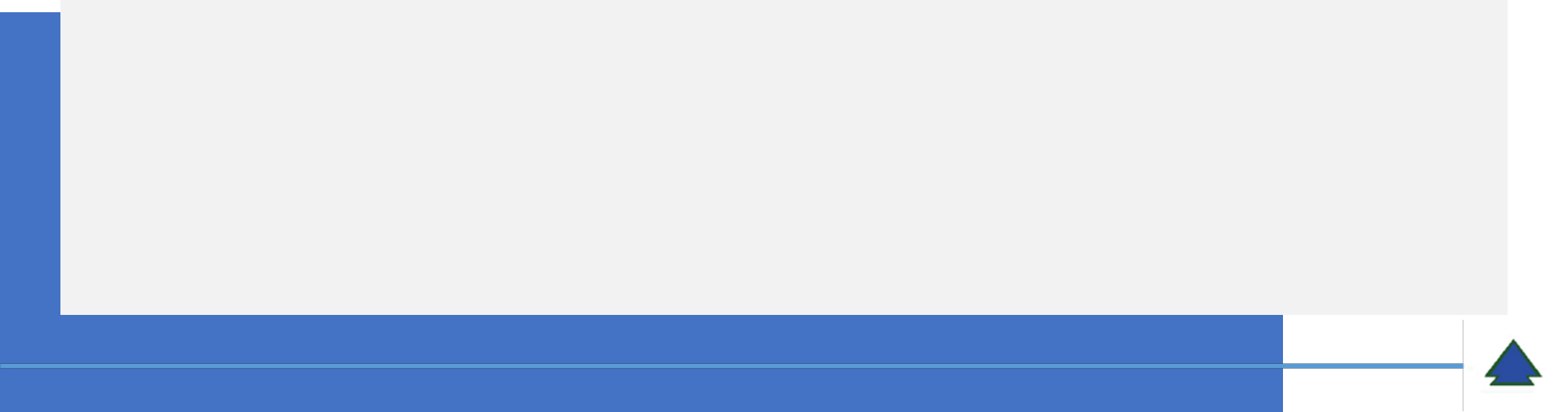
Continue to advance home inspection program.

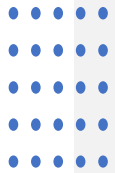
Continue lateral deficiency notification and repair program.



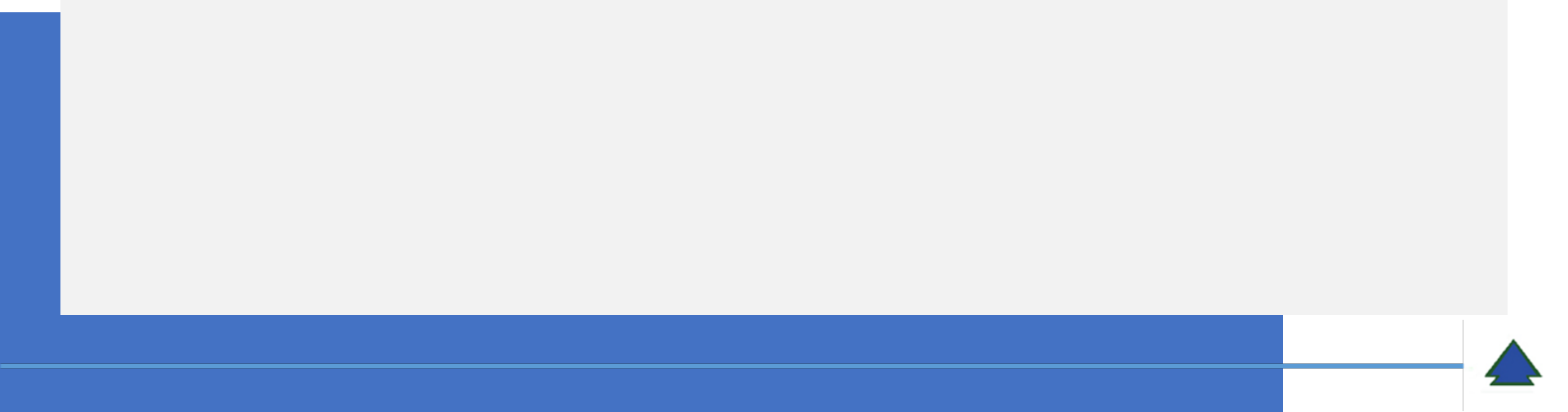


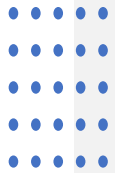
Comments/Questions....





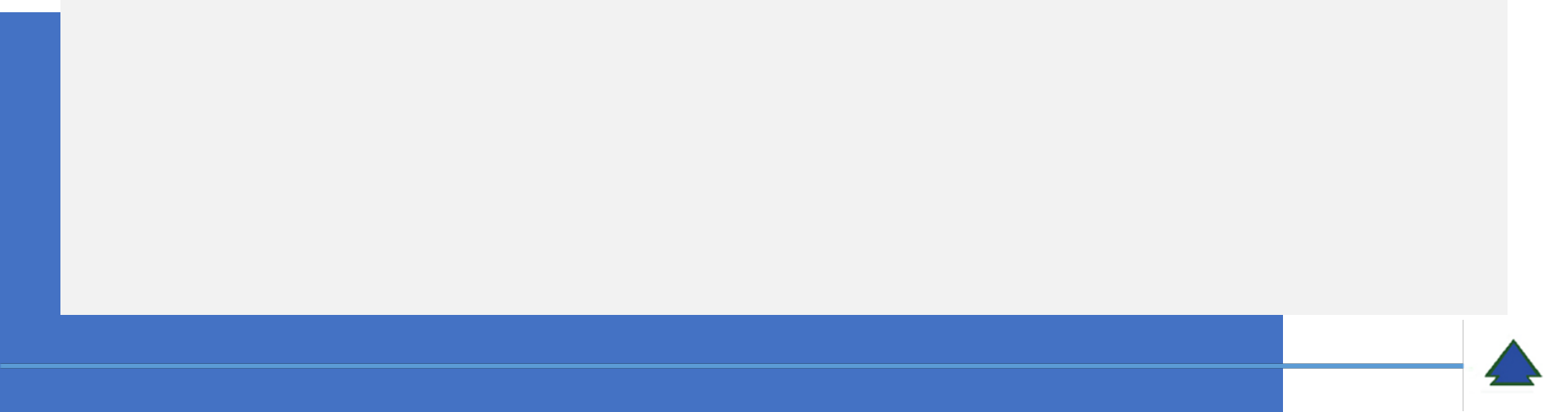
Break.... Up next: ALCA 2024 Budget





Arrowhead Lake Community Association

2024 Budget



2024 Assumptions & Facts

- **Overall - The 2024 Budget is presented with 5.2% Assessment increase.**
- **Revenue - Forecasted revenue will decrease \$784,000 from 2023. Factors influencing decrease:**
 - **5.2% increase in homeowner annual assessment.**
 - **Significant decline in Rental Revenue**
- **OPEX – Expenses reflect an increase of \$498,000, or 9.5%. The largest increases are in the following areas:**
 - **Payroll and payroll taxes all increased due to turnover replacements and wage adjustments needed to retain and attract employees and the addition of an Asst. General Manager position mid-year for better coverage and the need for increased project management.**
 - **Significant inflationary increases in Insurance, supplies, outside services, recreation costs**
 - **Addition of Fiber Optic Cable, additional Lake Management Services and increased Federal Income Taxes due to higher investment earnings.**
- **Capital – Reserve Fund will pay for \$1.7 million in Capital Projects during 2024**



Arrowhead Lake Community Association

2024 Assessment Schedule

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>%</u>
• House Assessment paid by March 31	\$1,930	\$1,830	\$ 100	5.5%
• Full House Assessment	2,030	1,930	100	5.2%
• Lot Assessment paid by March 31	965	915	50	5.5%
• Full Lot Assessment	1,015	965	50	5.2%



Arrowhead Lake Community Association

Selected Operating Measures 2024 Budget versus 2023 Budget



Increase in Assessment Revenue
6.0%

\$274,062



Decrease in Other Revenue
37.9%

\$1,057,804



Increase in Operating Expenses
9.5%

\$497,887



Arrowhead Lake Community Association 2024 Operational Changes

- **Mid Year addition of Assistant General Manager to provide for better coverage of operations and the increased demand for project management.**
- **Conversion of gate access system to ABDI, gate access for Trash Center and the start up of implementing picture ID cards which will replace current gate cards and amenity wristbands.**
- **Fiber Optic Cable service for all buildings and amenities to enhance access control and security**
- **2024 Fish Study and enhanced Lake Management Services.**



2024 Budget - Rental Operating Expenses with Direct Cost, Step Down of Overhead and Infrastructure Funding Allocation

	2024 Annual Budget	Rental Credit Card Fees	Accounting Owner Account Rental Maintenance .75 FTE	Subtotal	Allocate Overhead to All Services Departments 40.00%	Subtotal	Rental Wristband 100%	Member Services Processing 35% Rentals	Operating Expense Subtotal	20% Reserve Funding for Buildings Pools, Equip Amenities Vehicles & Equipment	80% Reserve Funding for Roads & Drainage, Lakes and Spillways	Operating Expense Subtotal	Shared Cost Based on Renter Occupancy of Community Gate Entrance Analysis 8.83%	Final Costs
<u>Overhead Services & Costs</u>														
Association Corporate Insurance, Telephone Systems, IT, Supplies Printing, HRA, Internet, etc.	779,361			779,361	(779,361)	-								
Administration GM, HR, Accounting, Management	-													
	941,683	(31,514)	(45,903)	864,266	(864,266)	-								
<u>Overhead Applicable to All Service Functions</u>	1,721,044	(31,514)	(45,903)	1,643,627	(1,643,627)	-	-	-						
<u>Service Departments</u>														
Member Services	491,342			491,342	196,536	687,878	(12,000)	(236,557)	439,321	17,674		456,996		456,996
A Dept of Public Safety	795,270			795,270	318,107	1,113,377			1,113,377	44,792		1,158,169	(95,549)	1,062,620
A Dept of Public Works	1,119,840			1,119,840	447,935	1,567,775			1,567,775	63,073		1,630,848	(134,545)	1,496,303
A Trash/Recycling Center	202,130			202,130	80,852	282,982			282,982	11,385		294,366	(24,285)	270,081
A Housekeeping/Custodial	20,000			20,000	8,000	28,000			28,000	1,126		29,126	(2,403)	26,724
A Recreation	489,199			489,199	195,673	684,872			684,872	27,553		712,425	(58,775)	653,650
Rental Shack	30,607			30,607	12,243	42,850			42,850	1,724		44,574	(3,677)	40,896
A Aquatics	290,756			290,756	116,302	407,058			407,058	16,376		423,434	(34,933)	388,501
A Lakes & EM&R	90,113			90,113	36,045	126,158			126,158	5,075	-	131,234	(10,827)	120,407
A Roads & Drainage					-					-	925,742	925,742	(76,374)	849,368
A Anglers	23,790			23,790	9,516	33,306			33,306	1,340		34,646	(2,858)	31,788
A Vehicles & Equipment	132,073			132,073	52,829	184,902			184,902	7,439		192,341	(15,868)	176,473
A Administration Building	101,988			101,988	40,795	142,783			142,783	5,744		148,527	(12,254)	136,274
A Maintenance Buildings	17,023			17,023	6,809	23,832			23,832	959		24,791	(2,045)	22,746
A Lodge Facility	75,136			75,136	30,054	105,190			105,190	4,232		109,422	(9,027)	100,395
A Island Amenities	52,436			52,436	20,974	73,410			73,410	2,953		76,364	(6,300)	70,064
A Choctaw Amenities	37,183			37,183	14,873	52,056			52,056	2,094		54,150	(4,467)	49,683
A Minisink Amenities	35,791			35,791	14,316	50,107			50,107	2,016		52,123	(4,300)	47,823
A Beach Amenities	26,999			26,999	10,800	37,799			37,799	1,521		39,319	(3,244)	36,075
				-	-	-			-	-		-	-	-
<u>Rental Costs</u>														
Credit Card Fees		31,514		31,514	12,606	44,120			44,120	1,775		45,895	-	45,895
Rental Wristbands				-	-	-	12,000		12,000	483		12,483	-	12,483
Member Services				-	-	-		236,557	236,557	9,517		246,074	-	246,074
Department of Public Safety				-	-	-			-	-		-	-	-
Accounting Rental Accounts			45,903	45,903	18,361	64,264			64,264	2,585		66,850	-	66,850
Trash Center Increase since 2019				-	-	-			-	-		-	-	-
Renter Allocation of Resources				-	-	-			-	-		-	-	-
based on Occupancy of Community				-	-	-			-	-		-	501,732	501,732
Subtotal	-	5,752,720	-	5,752,720	(0)	5,752,720	-	-	5,752,720	231,436	925,742	6,909,898	(0)	6,909,898
A Reserves Funding Requirement See Footnote A	1,157,178			1,157,178		1,157,178			1,157,178	(231,436)	(925,742)	-		873,033
Grand Total needed from Revenue	\$ 6,909,898			\$ 6,909,898		\$ 6,909,898			\$ 6,909,898	\$ 0	\$ -	\$ 6,909,898		\$ 6,909,898

A

*Footnote A Infrastructure Charge for Upkeep & Maintenance of Roads, Drainage, Lakes, Pools, Beaches, Buildings, Amenities, Lodge, Vehicles & Equipment as a % to operating expenses. Renter occupancy based on a seven month compilation of all gate card activity

Arrowhead Lake Community Association History of Reserve Fund Contributions

• 2005 Contribution to Reserves	\$151,000
• 2011 Contribution to Reserves	\$515,000
• 2014 Contribution to Reserves	\$836,000
• 2017 Contribution to Reserves	\$1,099,151
• 2020 Contribution to Reserves	\$1,028,674
• 2021 Contribution to Reserves	\$1,092,869
• 2022 Contribution to Reserves	\$1,092,869
• 2023 Contribution to Reserves	\$2,070,591
• 2024 Contribution to Reserves	\$1,157,178

**Recommended annual reserve funding per updated
2023 Reserve Study - \$2,217,438.**



Arrowhead Lake Community Association

Major Projects > \$50,000 in 2024

- Inhouse Roads and Drainage - \$325,000
- Tar & Chip Multiple Roads - \$500,000
 - Paved Road Rehab - \$150,000
 - Rehab Parking Lots- \$100,000
 - Island Pool Rehab - \$60,000
- Choctaw Playground - \$75,000
 - Dodge Ram 2500 – \$60,000



Major Future Projects

• North Lake Spillway	\$4,268,223	2025
• Lehigh Drive Road Project	\$2,600,000	2027 – 2028
• Annual Inhouse Road Maintenance	\$350,000	Annual



Arrowhead Lake Community Association

Reserve Savings Status

Projected Reserves at 12/31/23	\$7.1 million
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Projected Reserves at 12/31/24 after spending \$1.7 million on community Development projects	\$7.1 million
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Goal Per Updated Reserve Study 12/31/24	\$7.1 million
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2024 Operational Goals

Admin Services

- **ABDI implementation, training and transfer.**
- **Membership Identification improvements and updates to include photo IDs for all members.**

Department of Public Safety

- **Implementation of Officer Pulse system via ABDI.**
- **Installation of new camera system at all pools.**
- **Installation of Trash Center area entry gate.**

Communications

- **Continue to increase advertising and sponsorship revenue and build new partnerships.**
- **Create marketing collateral for owners to share about ALCA with their rentals and for realtors to share with potential clients who wish to buy in ALCA.**
- **Continue to increase awareness for special events in community.**
- **Update the website for users to easily navigate; also keep information current**
- **Communicate with management to streamline important updates, information, and other graphic requests as needed for website content, email blasts, etc.**
- **Successfully complete CAI training and exam.**
- **Produce video content for social media and other marketing promotions; increase photo library of ALCA**



2024 Operational Goals

Recreation

- Continue to maximize community activities.
- Continue to provide staff with professional development opportunities to sustain high level of customer service.
- Continue to work with other communities and agencies to develop a family-focused, enjoyable recreation schedule that enhances the membership experience.
- Evaluate the quality of existing committee events and programs to determine if certain programs should be continued. Create and coordinate a survey with the communications department regarding community ideas, activities, or groups.
- Identify and analyze recreational events and programs offered in other areas of the county with a focus on creating exciting family oriented, multi generational programs for ALCA.

Department of Public Works

- Develop a prioritized road/problem area road and storm water maintenance plan.
- Complete OSHA training for all employees.
- Execute approved projects in budget and monitor results for community.
- Develop a new system for bulk trash to improve the process for the community



2024 Operational Goals

Accounting

- **Maintain the highest possible standards relating to Accounting, Reporting and Financial Controls as evidenced by the outside CPA's annual audit report to the Board of Directors.**
- **Continue making significant progress regarding past due accounts and blighted properties.**
- **Continue to develop department automation.**
- **Continue staff training, cross-training and development.**

Aquatics

- **Ensure all pools are properly staffed for safety**
- **Continue in service training for lifeguards to review and stay current with skills**
- **Increase swim lesson offerings. If another certified instructor is on staff, we plan on offering double the amount of group lessons**
- **Host a minimum of two pool parties per month during July and August.**
- **No Pool Closures for the second summer season in a row.**



2024 Operational Goals

Human Resources

- **Business Contingency:**
 - Put all personnel files, medical, benefits, I-9, emergency contacts on secured cloud-based system.
 - Put on separate drive: clearances for committees and volunteers.
- **Corporate Strategic Structuring:**
 - Reviewing new payroll systems.
 - Structure onboarding, orientation, and training- 90-day mentor program.
 - Update Handbook.
 - Update all job descriptions and create master book on cloud.
 - Create a wage range guide for each job description.
- **Safety:**
 - Join the Safety Committee and assist with in-house safety drills
- **Yearly:**
 - Update Emergency Contact- update book in office
 - Update W-4 company wide and payroll if necessary
 - Update Clearances as needed



Comments/Questions....

