



"Where houses are homes
and neighbors are friends."

TOWN HALL BUDGET PRESENTATION THE FY2025 BUDGET (1 May 2024 - 30 April 2025)

APPROVED BY THE BOARD

AT THE NOVEMBER 04, 2023 Working Session



"Where houses are homes
and neighbors are friends."

"A budget isn't about restricting what you can spend. It gives you permission to spend without guilt or regret." – Dave Ramsey (Money Guru)

"Beware of little expenses. A small leak will sink a great ship." – Benjamin Franklin

"The budget is like a map of how your money is spent—it's a tool to help you make wise choices." – Suze Orman



"Where houses are homes
and neighbors are friends."

Agenda

- Budget and Finance Committee Tasking and Goals
- MPOA Background, Facts and Figures
- Expenses Summary
- Income Sources
- FY2025 Budget & Assessment Summary



"Where houses are homes
and neighbors are friends."

Budget and Finance Committee Tasking and Goals

- Tasking:
 - The Budget and Finance Committee (BFC) is tasked to annually prepare a “proposed Budget” to be approved by the Board at the December Board meeting.
 - BFC Meetings started in August to prepare the FY2025 – Meeting minutes have been developed and approved.

- Committee:

Vicki Smith(Chair)
Bill Manning
Jan Starai
Carolyn Adams

- Board Liaison: Chris Williams (Treasurer)
- Staff Liaison: Steve Levin (GM)



"Where houses are homes
and neighbors are friends."

Montclair Background, Facts and Figures

- The Montclair Property Owners Association is a Residential Planned Community consisting of 2,701 single family homes and 1,156 town homes. Therefore, the total homeowner base is 3,857.
- MPOA's Fiscal Year is May 1st to April 30th of the following year
- The Budget should be viewed as a "zero base budget", e.g., income offsets operating expenses (accounting for reserves)
 - Setting money aside for real-property "reserves" is guided by standard practices for depreciation of real-property, historical costs (lake dredging, etc.).
 - "Rule of Thumb", each \$5.00 in Assessment offsets approximately \$20,000 of expense, e.g., 3,857 x 5
 - The BFC based the budget recommendation on financial actuals
 - transparency and realism
 - The focus was on shoring up reserves/infrastructure and services and activities improvements



"Where houses are homes
and neighbors are friends."

Expense Summary

Fiscal Year 2025 Proposed Budget Expenses	Cost	Percent	Percent w/o Trash
TOTAL ADMINISTRATIVE	168,150	3.71%	4.10%
TOTAL PROFESSIONAL SERVICES	2,259,966	49.82%	44.50%
TOTAL TAXES	4,000	0.09%	0.10%
TOTAL INSURANCE	232,218	5.12%	5.66%
TOTAL ACTIVITIES	90,000	1.98%	2.19%
TOTAL NEWSLETTER	91,400	2.01%	2.23%
TOTAL BOARD/COMM/ANNUAL MTG	20,500	0.45%	0.50%
TOTAL COMMON AREA MAINT	177,500	3.91%	4.33%
TOTAL COMMUNITY FACILITIES	369,050	8.13%	9.00%
TOTAL LAKE MAINTENANCE	66,350	1.46%	1.62%
TOTAL OTHER EXPENSES	172,500	3.80%	4.20%
TOTAL RESERVE CONTRIBUTIONS	885,025	19.51%	21.57%
<i>Total Expenses and Reserves</i>	<i>4,536,659</i>	<i>100.00%</i>	<i>100.00%</i>

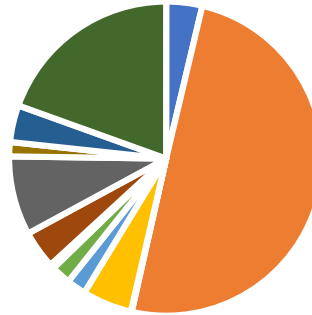
This value and percentage include \$434,376 for trash associated with the Disposal Services, LLC contract. There is an offsetting income account. This is not included in the homeowners' annual assessment.



Expense Summary – Slide 2

“Where houses are homes
and neighbors are friends.”

Expenses



- TOTAL ADMINISTRATIVE
- TOTAL TAXES
- TOTAL ACTIVITIES
- TOTAL BOARD/COMM/ANNUAL MTG
- TOTAL COMMUNITY FACILITIES
- TOTAL OTHER EXPENSES
- TOTAL PROFESSIONAL SERVICES
- TOTAL INSURANCE
- TOTAL NEWSLETTER
- TOTAL COMMON AREA MAINT
- TOTAL LAKE MAINTENANCE
- TOTAL RESERVE CONTRIBUTIONS

Note: This green box identifies the Expense category that includes Trash Removal (\$436,376), to reflect the total proposed budget. This is associated with the Disposal Services, LLC contract. There is an offsetting income account. This is not included in the homeowners' annual assessment.



"Where houses are homes
and neighbors are friends."

Expense Rollup - Admin

	FY 2024 Approved	FY 2025 Proposed	Remarks
ADMINISTRATIVE:			
51100 51103 OFFICE EXPENSE SUPPLIES	8,000	8,000	
51100 51108 OFFICE EXPENSE OFFICE EQUIP MNT	12,000	12,000	
51500 51010 MISC ADMIN POSTAGE	15,000	18,000	Recommend nominal increase per BOD approved printing welcome letters for new owners. Rate increase took effect.
51500 51000 MISC ADMIN PRINTING/COPYING	15,000	16,000	Recommend nominal increase per BOD approved printing welcome letters for new owners.
51500 59500 MISC ADMIN RESALE DISCLOSURES	50,000	45,000	Per 3 year average
52700 MILEAGE REIMB	6,000	6,000	Recommend no change per 3 year average and actualized projections.
53407 PHONE/INTERNET	14,100	14,100	
51100 51115 OFFICE EXPENSE COMPUTER MNT	2,700	3,000	
50700 BANK CHARGES	3,500	4,000	
51200 DUES & SEMINARS	11,150	11,550	Per verification of subscription renewals.
50800 COUPON BOOKS	25,071	25,500	
51500 51040 MISC ADMIN OTHER	2,000	2,000	
57750 UNIFORMS/MATS CONT	3,000	3,000	
TOTAL ADMINISTRATIVE	167,521	168,150	



Expense – Professional Services

“Where houses are homes
and neighbors are friends.”

	FY 2024 Approved	FY 2025 Proposed	Remarks
PROFESSIONAL SERVICES:			
50300 50300 LEGAL LEGAL	-	-	
50300 50301 LEGAL GENERAL	55,000	250,000	Per approved BOD resolution to file civil litigation.
50300 50302 LEGAL COLLECTIONS	135,000	150,000	Per current actualized projections, review of pending cases with legal
50400 AUDIT/TAX PREP	11,000	11,500	Based on current engagement letter
57000 57000 TRASH REMOVAL TRASH REMOVAL	-	434,376	Per BOD approved agreement with Disposal Services thru FY26. SF/mo=\$15.95, TH/mo(WETA)=\$13.50, plus \$5/mo per unit for PWC landfill fee
57250 57250 GROUNDS MAINTENANCE GROUNDS MAINT CONT	160,000	165,000	Per pricing in existing contract. In final year of contract. Adjusted for culvert and invasive costs.
50000 MANAGEMENT FEES	1,163,676	1,179,090	Per pricing scheduled in current agreement.
57600 SECURITY CONTRACT	70,000	70,000	Awaiting Safety committee updates.
TOTAL PROFESSIONAL SERVICES	1,594,676	2,259,966	

\$434,376 for trash associated with the Disposal Services, LLC contract. There is an offsetting income account. This is not included in the homeowners' annual assessment.



"Where houses are homes
and neighbors are friends."

Expense – Taxes and Insurance

		FY 2024 Approved	FY 2025 Proposed	Remarks
	TAXES:			
58040	PERSONAL PROP TAXES	4,000	4,000	
	TOTAL TAXES	4,000	4,000	
	INSURANCE:			
52400	WORKERS COMPENSATION	1,001	948	
50200 50204	INSURANCE D&O POLICY	11,295	12,164	
50200 50211	INSURANCE VEHICLE	9,486	10,016	
50200 50218	INSURANCE BOND & CRIME	3,715	3,859	
50200 50219	INSURANCE LIABILITY & COMM'L	140,522	150,069	
50200 50203	INSURANCE UMBRELLA POLICY	47,436	49,483	
50200 50227	INSURANCE MASTER	-	4,679	Cyber Liability
50200 50237	INSURANCE FEE	1,000	1,000	Numbers per recent proposal by Brown's Insurance
	TOTAL INSURANCE	214,455	232,218	



"Where houses are homes
and neighbors are friends."

Expense – Events/Activities

	FY 2024 Approved	FY 2025 Proposed	Remarks
ACTIVITIES:			
59420 50017 ACTIVITIES LICENSE FEE MUSIC	-	-	
59420 50018 ACTIVITIES LANTERN LAUNCH	-	-	
59420 50001 ACTIVITIES MONTCLAIR DAY	25,000	8,500	Event itinerary proposed to be scaled back to be a kid's fest, eliminating need for permitting, overnight security, and outsourced labor.
59420 50013 ACTIVITIES SUMMER MOVIE NIGHTS	-	-	Reducing to one time per year.
59420 50002 ACTIVITIES TEEN BEACH PARTY	-	-	
59420 50003 ACTIVITIES JULY 4TH	28,000	28,400	Increase due to rise in costs for security and permitting.
59420 50008 ACTIVITIES ADULT CONCERT/WINE	-	-	Reducing to one time per year.
59420 50004 ACTIVITIES OKTOBERFEST	25,000	16,000	Rebranded as Octobrewfest, requires no permitting, no overnight security, or outsourced labor.
59420 50007 ACTIVITIES EASTER EGG HUNT	-	-	
59420 50009 ACTIVITIES MISC ACTIVITIES	20,500	37,100	Includes budget for additional events to be added to the schedule by CEC, and a misc. budget of \$3,750 for any necessary but unbudgeted expenses.
59420 56560 ACTIVITIES FISHING TOURNAMENT	-	-	Removing this event.
TOTAL ACTIVITIES	98,500	90,000	

The event expense budget of \$90,000 is offset by the event income of \$25,000, so the net cost to the community is \$65,000.



"Where houses are homes
and neighbors are friends."

Expense – Newsletter, Annual/Board Meetings and Common Area Maintenance

		FY 2024 Approved	FY 2025 Proposed	Remarks
NEWSLETTER:				
59701	NEWSLETTER LAYOUT	800	800	
59702	NEWSLETTER POSTAGE	10,500	10,600	Extrapolated based on actuals and rising cost of postage.
59703	NEWSLETTER PRINTING	75,000	80,000	Extrapolated based on actuals and rising cost of printing.
TOTAL NEWSLETTER		86,300	91,400	
BOARD/COMMITTEE/ANNUAL MTG:				
51310	MEETING EXPENSE	20,500	20,500	Based on renewal of SBS contract, and ancillary expenses for hosting hybrid and in-person BOD meetings.
59600 59610	COMMITTEE/BOARD EXP ANNUAL MEETING	-	-	
TOTAL BOARD/COMM/ANNUAL MTG		20,500	20,500	
COMMON AREA MAINTENANCE:				
54400 54415	COMMON AREA MNT SNOW CLEARING	2,000	2,000	
54200 54290	LANDSCAPING TREE MNT	50,000	50,000	
56205	PET STATION MNT	5,500	5,500	
54400 54400	COMMON AREA MNT COMMON AREA MAINT	36,500	90,000	Address invasive species and other abatement issues in common areas to comply with county ordinances. Exploring options to perform inspections in these areas (drones, etc.)
56800 56800	TRUCK/VAN MNT TRUCK/VAN MAINT	4,500	4,500	
55155	EQUIPMENT MNT/RENTAL	4,000	5,500	
59855 59802	LAKE MAINTENANCE MONTCLAIR BEAUT DAY	-	-	
56800 56801	TRUCK/VAN MNT VEHICLE GAS/OIL	9,720	10,000	
54610	PLAYGROUND MAINT	2,500	10,000	Engineering costs to address playground deficiencies
TOTAL COMMON AREA MAINT		114,720	177,500	

The newsletter expense budget of \$91,400 is offset by an advertising income of \$75,000, so the net cost to the community is \$16,400.



"Where houses are homes
and neighbors are friends."

Expense – Community Facilities and Lake Maintenance

	FY 2024 Approved	FY 2025 Proposed	Remarks
COMMUNITY FACILITIES:			
53000	12,000	12,000	
53014			
53000	4,500	4,700	
53107			
53500	2,000	2,100	
53509			
53500	2,500	2,600	
53512			
56005	83,850	87,500	Based on anticipated increase to St. James contract
56005			
59850	3,200	3,200	
59851			
59850	8,500	8,500	
59852			
59850	215,000	225,000	Based on demands of the lifeguard contract and anticipated increase from St. James
59853			
59850	4,000	4,000	
59855			
59850	11,400	11,850	Contract built in 4% increase at automatic renewal every year.
59857			
55915	1,150	2,500	Based on increased maintenance issues with access control and fire alarm panel.
55915			
51500	-	5,100	Concession Stand Supplies, offset by revenue
51180			
TOTAL COMMUNITY FACILITIES		348,100	369,050
LAKE MAINTENANCE:			
50508	3,400	14,000	Price based on updated contract with AMT Engineering and the inclusion of a periodic dive inspection of primary sluice gate, starting FY25.
59855	19,000	19,000	Suggest keeping unchanged due to various repairs needed on the dam.
59800			
59855	11,000	11,000	Testing costs expected to remain the same for FY25
59801			
54705	20,000	20,000	Confirmed with vendor, no increase to contract for FY25.
53425	2,256	2,350	New monitoring system that will communicate via radio to county warning system, cost is related to county-required fee.
TOTAL LAKE MAINTENANCE		55,656	66,350



Other Expenses & Reserve Contributions

"Where houses are homes
and neighbors are friends."

		FY 2024 Approved	FY 2025 Proposed	Remarks
	<i>OTHER EXPENSES:</i>			
68500	CAPITAL PROJ/IMPROV	2,500	152,500	Committee capital projects as requested, (including WB Bathroom)
50600	BAD DEBT EXPENSE	15,000	15,000	
51900 51900	DEPRECIATION/AMORTIZ DEPRECIATION	35,000	5,000	Per auditor at Goldklang.
	TOTAL OTHER EXPENSES	52,500	172,500	
	<i>RESERVE CONTRIBUTIONS:</i>			
68100	OPER CONTINGENCY	49,867	55,025	
68000 68000	RESERVES REPLACEMENT RESERVES	830,000	830,000	Funding reserves in anticipated for lake & dam expenses that have been partially funded YTD.
	TOTAL RESERVE CONTRIBUTIONS	879,867	885,025	
	TOTAL EXPENSES AND RESERVES	3,636,795	4,536,659	
	NET EXCESS/(DEFICIT)	-	-	



Income Sources

"Where houses are homes
and neighbors are friends."

		FY 2024 Approved	FY 2025 Proposed	Remarks
ASSESSMENTS:				
41000	ASSESSMENT INCOME	3,286,164	3,702,720	Proposed - 960.00
41320	COMMERCIAL ASSMT	7,631	7,653	
41014	TRASH ASSESSMENT	-	434,376	Optional Assessment/Also an expense line.
TOTAL ASSESSMENT INCOME		3,293,795	4,144,749	
ACTIVITIES INCOME:				
44350 44351	ACTIVITIES INCOME MONTCLAIR DAY	6,000	6,000	Updated plan for Montclair Day will scale back event, with anticipated revenue between \$5-6k.
44350 44352	ACTIVITIES INCOME OKTOBERFEST	8,000	15,000	New cost structure for the fall event is forecasted to bring in between \$15-25k. Pending approval by CEC, and BOD.
44350 44353	ACTIVITIES INCOME OTHER ACTIVITIES	3,500	4,000	Additional events are being proposed to increase revenue outside of the big events and traditional markets.
TOTAL ACTIVITY INCOME		17,500	25,000	
OTHER INCOME:				
42000 42000	INTEREST INTEREST	22,000	25,000	Based on 3-year average, with understanding of higher rates currently
42000 42003	INTEREST HOMEOWNER	-	-	
43100	LATE CHG INCOME	58,000	60,000	Based on 3-year average
43106	COLLECTION CHGS	-	-	
43200	LEGAL CHG INCOME	30,000	40,500	Based on at least 30% success rate per historical collection rates provided by SMM
43000 43001	MISC INC OTHER	9,000	9,000	Based on 3 year average
43000 43150	MISC INC NSF FEE	-	-	Captured in Misc other.
43000 43750	MISC INC ADVERTISING	60,000	75,000	Projected based on extrapolation of current revenue per the increase in ad pricing approved at the Feb.2023 BOD meeting to start in FY24.
43000 43900	MISC INC VIOLATION FEES	20,000	25,580	Based on 3 year average
43000 49500	MISC INC RESALE DISCL CHGS	50,000	43,430	Based on 3 year average
43000 49501	MISC INC RESALE INSPEC CREDIT	25,000	27,100	Based on 3 year average
43000 49802	MISC INC BOAT REGISTRATION	4,000	5,000	Based on current annualized projections.
41090	MONTHLY ASMT SVC CHG	47,500	49,000	Based on current annualized projections.
43500	CLUBHOUSE/REC INCOME	-	7,300	Concession Stand projected revenue
44000	BAD DEBT RECOVERY	-	-	
TOTAL OTHER INCOME		325,500	366,910	
TOTAL INCOME		3,636,795	4,536,659	



"Where houses are homes
and neighbors are friends."

FY2025 Budget & Assessment Summary

- Draft Budget has \$4,536,659 in expenses
- Income sources equal \$ 4,536,659 (based on an annual assessment of \$960 distributed across 3,857 homeowners) – increase of \$ per month
- With an Annual Assessment of \$960.00 (if paid in one payment) or 12 monthly payments of \$82.00 - Includes \$2.00 fee for monthly plan for a total of \$984 (12 X \$82)

FY 2025 Assessment
 $\$960/12 = \80 per month
 $\$80 + \2 (service fee) = \$82 per month

FY2024 approved
 $\$852/12 = \71 per month
 $\$71 + \2 (service fee) = \$73 per month

“Sense of the Board” – The draft FY2025 Budget, and the associated Annual Assessment increase of \$108 continues to invest in Montclair, sustaining investments in much needed repairs during FY25 and continuing through FY28.