

**Masthope Mountain Community
Budget Meeting
February 6, 2016**

8:46am - Meeting called to Order
Pledge of Allegiance

Attendance: P.Bakos, C.Wyatt, J. Graziano, M.Torre, D. Clark, B. deVinck, E.Principe, P. Torchio, J. Fox Absent: F.McCoy,
E.McClary

Introduction of Budget- Dan Clark

- # of properties to base the dues - 1630 lots
- discussion about increase of cost for salary
- decrease in cost of oil/propane

Operational Budget-

Fitness Center

- No questions

Activities

- remaining salary from this activities director will go into capital reserve
- all surplus goes into capital reserve
- Dropped \$11k from last year's budget

Stables

- Increase in payroll
- Full-time - 3 employees
- Seasonal - ¼ employees depending on the season
- Usage at the stable has increased by 10% from last year
- Did the income go up from last year as a result? Yes
- How many horses do we anticipate having to purchase?
 - It depends on the health of the horses.
 - If they healthy then we don't need to use that money - it's a contingency.
- Land Management (line 81) - Money is in the current budget (15-16) to do the maintenance that has already been approved.
- Animal Care (line 76) - veterinary care, shoes, regular care

Lake & Pool Expense

- Increase for Boat Master
 - More hours - higher level of coverage
 - higher qualifications - greater authority
 - Saturdays, Sundays & holidays
- Where did the saving come from?
 - Payroll -better job of managing the summer staff.
- Aquatics director - Head lifeguard will manage that position

Amenities Expense

- Increase in landscaping - Beautification committee
- Repair and Maintenance
- Signage is a necessity - wear and tear requires replacement
- \$4K increase in this area

Lodge Expense

- Decrease in expenses \$12.5K
- Utilities are significantly low this year
- Could be a one time savings
- Discussion about efficiency lighting in the lodge ensued

Administrative Expenses

- Moved out Feral cat program from this area
- Removed furniture and placed in miscellaneous
- Copy machine is now owned instead of leased
- Increase in administrative payroll
 - part-time employee was recently hired
- Rentals have gone up, so more administration/office staff is needed.

Collection Expenses

- Does collections & all court related items
- Independent contractor hired by our community
- Provides a lot of value, knowledge and experience

Maintenance Expenses

- Decrease in expenses
- Line 189 - gasoline/oil savings
- Snow Removal - salt/cinders
- Repairs to front entrance area has been given additional attention
- Rubbish Removal is a tremendous expense
 - Recycling would help with expense

Public Safety Expenses

- Decrease in payroll - Dispatcher
 - not necessary - officers carry a cell phone
 - busy weekends - office staff manages additional calls
 - Officers keep documentation for major events - minor incidents are not logged.
- Decrease in fuel - \$8K
- Newer vehicle causes a reduction in repairs
- Line 206- monitoring alarm company

Institutional Expenses-

- Lines 224 & 225 - The BOD contingency funds
 - Operational dollars the BOD has discretion/authorization to spend
 - These funds are used when something comes up unexpectedly and the BOD needs fund the item.
 - Recommendation for these line items to be combined - not necessary for them to be separated.
- Line 221 - Our roads are in need of repair.
 - It doesn't matter how nice the community is; if the roads to get there are dangerous
 - this protects the property owner's value
 - we need to address areas with drainage
 - this is an on-going project that we must always budget for
- Discussion ensued about Hemlock Farms road work - >\$41 million project, to repair their roadways - no community approval was required.

Beach House

- Utilities increase - building a history of usage
- Maintenance staff- (line 243) What is that being used on? (\$7K)
 - this will be verified by management

- Look at line items 241-243 - how are these being allocated?

General Income Budget Information

- Discussion about income from 2015-2016 (see page 1 of Budget Proposal)
- Projected for the current year- (2015-2016) was very close - within \$222
- Anticipated income increase for 2016-2015 - \$178,600 (2% projected increase)

Food & Beverage Budget

Income Section

Summit B&R Income

- Scrambler got hit badly last year
- Last February was a disaster because of the weather
- This profit is never a guarantee - we can't control the weather
- We have strong seasons and challenging seasons - need to be prepared

Expense Section

Summit Expense

- Line 308 - check the difference between 2014-2015 vs. 2015-2016
 - budgeted amount may be on the high side
 - reallocated some of the difference to line 310 from line 308
- Discussion about bonus incentives ensued

Capital Budget

Current Contractual Obligations

- Ski assessment - \$175/ annual
- Lodge Loan - \$100 - ends in 2027
- Backhoe - \$7 - ends 2017
- Beach house Load - \$52 - ends in 2028
- Reserve fund contribution - \$53/annual - 2% of the entire operational budget
 - TOTAL - \$387 (to be included in 2016-2017 dues)

Current Annual Discretionary

- Maintenance Vehicle Rotation - \$11
 - purchased out right
- Public Safety Vehicle Rotation - \$10
 - On rotation (3 year loan cycle)
 - Notification to property owners this may have short term loans attached
 - Open discussion about the placement of this line item
 - Agreed to leave in this category with note to property owners
- Fitness Equipment Rotation - \$4
- Lake & Pool Furniture Rotation - \$5
- Computer Rotation - \$4
 - TOTAL - \$34 (to be included in 2016-2017 dues)

New Capital Items

- Community Landscaping - \$8
- Maintenance Equipment - \$6
 - TOTAL - \$14 (to be included in 2016-2017 dues)

TOTAL CAPITAL ITEMS = \$435 (to be included in 2016-2017 dues)

Lot Dues & Assessments

Improved Lots

- Operating Dues \$1325
- Capital Assessments \$435
 - **TOTAL DUES & ASSESSMENTS = \$1760**

Unimproved Lots

- Operating Dues \$1125
- Capital Assessments \$435
 - **TOTAL DUES & ASSESSMENTS = \$1560**

Motion #1 - Ski Mountain Development Project

See attached

Approving the motion to ask the community for permission to proceed with the Ski Development project

Motion Approved

Motion #2- Presentation of the Budget to the community

See attached

Approving the motion to send the mailing with the budget presented at the Budget meeting

Motion Approved

Meeting Ends: 11:20