

MKL Inform Meeting Operating Budget 2024

Purpose of Today's Meeting

- The Board wanted to provide an advance meeting to inform the community about a board approved dues increase for mid-2024 and provide the rationale
- Today's meeting is not to vote on the dues increase or the budget – that will occur in the annual meeting in January

MKL Income has not changed since 2010

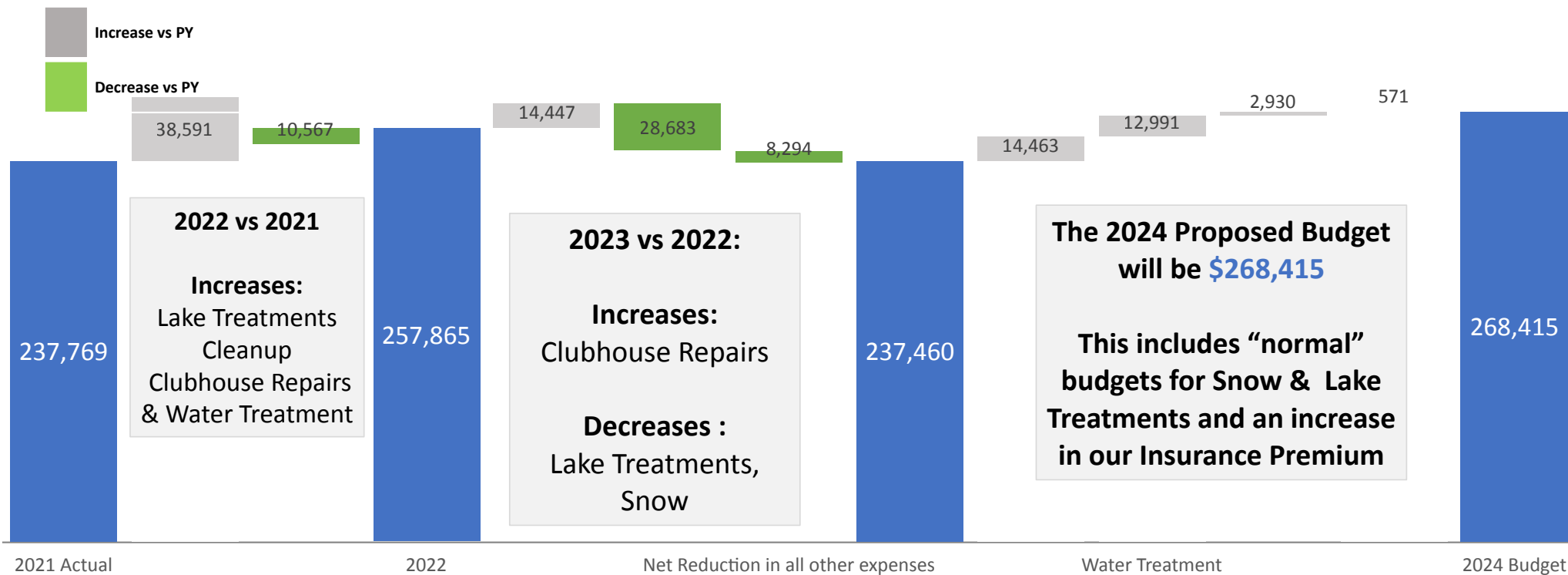
MKL receives **\$234,924** in income for **Operating Expenses**

- **Member Dues** of \$222,724.
 - Dues not increased **since 2010**.
- **Other income** *on average* at \$12,200 (but varies)
 - Party Rentals, Interest Income, Boat Registration and prior year Snow Rebates

All other MKL Member Dues are restricted to fund the Capital Projects (LCRF and Dam) and can not be used for Operating Expenses.

MKL expenses have increased due to inflation.

However, the MKL Boards has been able to keep the expense growth **below 4% vs the inflation growth of 6%.**

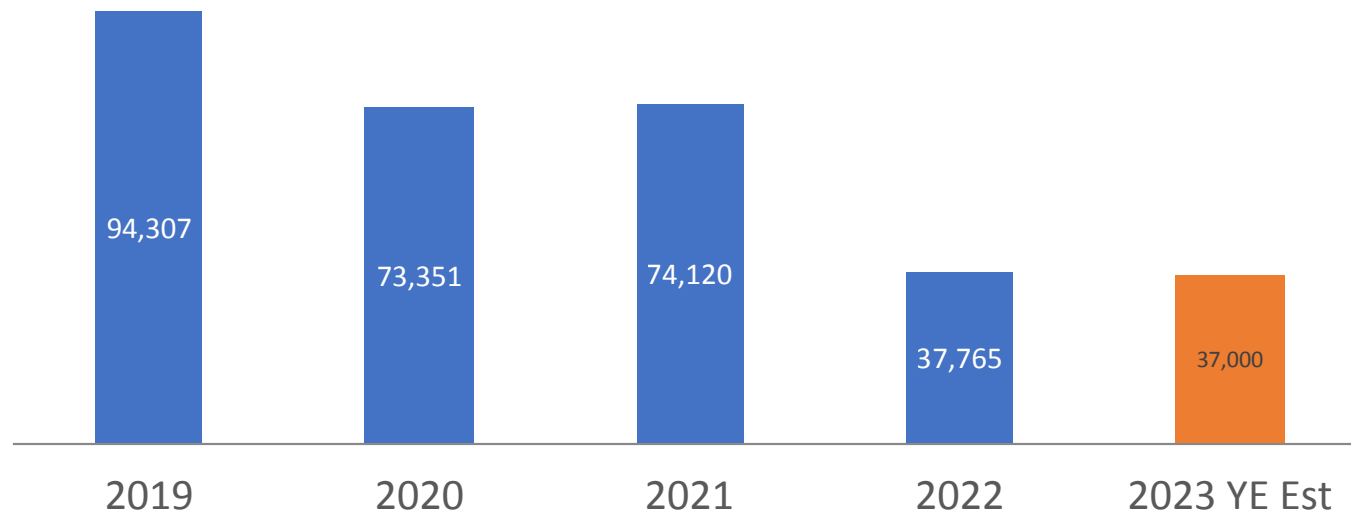


Operating Account Balance has been declining over time

In last years Annual Meeting, we highlighted that are running at a **deficit** and are depleting our Operating Account.

2023 is expected to be break-even.

However, this was due to a one-time cash infusion of \$23,000 – without it – 2023 would have also been at a deficit.



We can no-longer delay an increase in dues.

During last year's annual meeting, a **MIDYEAR 2023 increase to Dues by \$125 a quarter was recommended**

We've delayed this by squeezing budgets.

- **However, we will continue to operate at a deficit, inflation continues to increase our expenses 4-5% a year and we cannot squeeze any more from budgets without negatively impacting the community.**

Therefore, to avoid our bank balance going negative, we will propose an increase to dues at the annual meeting.

- **Recommendation is an increase Q2 2024 to dues by \$125 per quarter or \$500 per year which covers our deficit (additional income of \$48,000 per year). New quarterly dues would move from \$775 to \$900. To be voted on by the community at the annual meeting.**

What services does MKL provide?

MKL LAKE, BEACH, DOCKS AND DAM \$79,565

Maintenance of Lake, Beach, Docks and Dam (built 1929). Includes lake water quality testing and treatments. Dock and swim float maintenance. Emergency equipment. Dredging for lake and ponds. Maintenance of Dam, cutback of foliage as mandated by DEP and State required bi-annual inspections. Includes Dam/Dredging Loan payment of \$47,565
Note: Dam is separately reported in the P&L

PROPERTY MGMT & BOOKEEPING \$0

Property Management and Bookkeeping minimum of **\$50,000 - \$75,000** in annual costs avoided through Board and community volunteers.

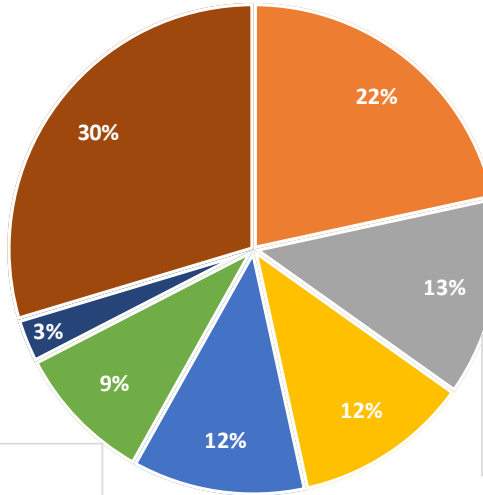
ADMINISTRATION \$7,850

Professional fees (legal, CPA, tax prep, etc.)

MKL CLUBHOUSE (87-years old) \$25,000

Clubhouse building maintenance, repair and upkeep of heating and cooling systems; plumbing and septic system; kitchen appliances; commercial fire suppression system.

Note: Includes \$9,000 in Utilities and Supplies which are reported in the P&L under Administration



MKL PROPERTIES \$58,000

Maintenance of 35 Community-owned properties and undeveloped lots. Includes Tennis Courts, Playground, Community Garden, Dog Park, Clubhouse Lawn, Beach Lawn and Wilner Park. Includes tree maintenance.

DRINKING WATER \$35,500

Daily operation of system to pump, test and supply drinking water to 96 community homes, Clubhouse and storage tanks. Includes inspections.

INSURANCE \$31,500

Liability and Property Insurance premiums

Note: Insurance is reported under Administration in the P&L

MKL PRIVATE ROADS \$31,000

Maintenance of Community's Private Roads. Maintain 7 Roads, 3 Parking areas and 2 Fire Lanes. Includes repairs, resurfacing, snow management, leaf and debris cleanup and maintenance of drains and riprap.

*Property management benchmarks 10-20% of income (polled Nov-2023) and MKL bookkeeping proposal received of \$30,000

Note: Expenses based on Proposed 2024 Budget

DETAILED INFORMATION ON SERVICES

Detailed listing of services

Lake, Beach and Docks

- Beach swimming area weekly quality testing during summer
- Monthly lake-wide testing for algae and water quality
- Algae and weed treatments
- Docks and swim float maintenance
- Beach Sand replenishment
- Emergency equipment and phone at Beach
- Dredging of lake, lagoon and breeder pond

Dam (built 1929)

- Includes Loan payment of \$47,565
- Structure & spillway repairs and maintenance
- Vegetation management on back of Dam
- State required bi-annual inspections

Community-Owned Properties

Maintenance of 35 Community-owned property and undeveloped lots

- Tree maintenance and removal
- Fall Clean-up
- Tennis Court, Playground, Community Garden and Dog Park maintenance
- Lawn mowing for clubhouse, beach & Wilner Park

Drinking Water

- Daily operation of system to pump water to 96 community homes, Clubhouse and storage tanks
- System includes 4 wells, 2 pumphouses, 3 water storage tanks, pumphouse emergency generator, chlorination system and arsenic treatment system.
- State required monthly testing
- Licensed Operator to monitor system and to file required reports to State
- Street water main maintenance and repairs

Insurance

- Liability and Property Insurance premiums

Community's Private Roads

Roads (Primrose, LTW, LTE, Alpine, Trail End, Elm Trl and Beach Trail), Parking (Beach, Clubhouse and Tennis Courts) and Fire Lanes (2 on West side)

- Maintenance, repairs and resurfacing
- Snow sanding, salting and plowing
- Leaf and Debris Cleanup 2x per year
- Drains and riprap area maintenance

Clubhouse (87-years old)

Clubhouse building maintenance, repair and upkeep including heating and cooling systems; plumbing and septic system; kitchen appliances

- Utilities, garbage and pest services
- Commercial fire suppression system and alarms
- Equipment and supplies for kitchen, bar, social events
- Furnishings

Community Administration

- Professional fees (legal, CPA, tax prep, etc.)

Other Administrative **VOLUNTARY**

- Property Management and Bookkeeping

Detailed Board / Resident Volunteer Services Provided Services estimated at **\$50,000 - \$75,000*** in costs provided **free of charge**

Accounting and collections – billing quarterly dues; processing payments received; paying outside vendors and contractors, maintaining financial records; annual financial reporting to members; providing member dues status for residential property transfers

Administration – interface with outside attorneys, CPA, insurance agents, banks, etc. for business of the Association; attend to tax filings and corporate registration filings; management of Dam/Dredge loan from the State; conduct community surveys and organize various committees for financial and long-term planning; community record-keeping

Water system operation – day-to-day oversight of operations; daily collection of system data at the pump houses by team of Vital Statistics Analyzers (VSAs), interface with our outside professional Licensed Operator; retention/oversight of contractors for construction and repair projects

Community communications – MKL Website management; various notices, minutes and

communications prepared and distributed to residents by hand, electronically and call-'em-all systems; community newsletter

Road DPW-type services – monitoring road conditions; retention/oversight of outside contractors for repairs and resurfacing projects and for water main leak repairs; retention/oversight of winter salting, sanding, and snow plowing services; file for Town reimbursement of certain snow plowing costs

Grounds maintenance – resident fall and spring roads and grounds cleanups, and spring beach cleanup; retention/oversight of outside lawn services, arborists and tree services; Environmental Stewardship Committee (ESC) monitoring of conservation easement properties and invasives control

Clubhouse maintenance – monitoring of structure, systems and utilities; retention/oversight of repair contractors, cleaning services, pest control, utilities, trash pickup, etc.; volunteer construction, painting and cleaning projects; creation/maintenance of history

archives room for MKL records; purchasing supplies to equip kitchen and bar

Recreational facilities management – retention/oversight of outside testing and treatment contractors to manage Lake water quality; interface with Town Health Dept. for annual beach inspection; supervision of community garden; repairs to playground; retention/oversight of tennis court services

Dam management – retention/oversight of outside engineers for biannual State-mandated inspection; management of periodic lake lowering; retention/oversight of repair and landscaping services to maintain dam condition

Community Safety – resident summer road patrol

Social Activities – planning and organizing a year-round calendar of parties and social events at the Clubhouse; managing the Bar and the Country Club's liquor license; stocking the Bar; processing sales tax payments to the State

*Property management benchmarks 10-20% of income (polled Nov-2023) and MKL bookkeeping proposal received of \$30,000; costs likely to be higher since services provided unique vs typical HOA.