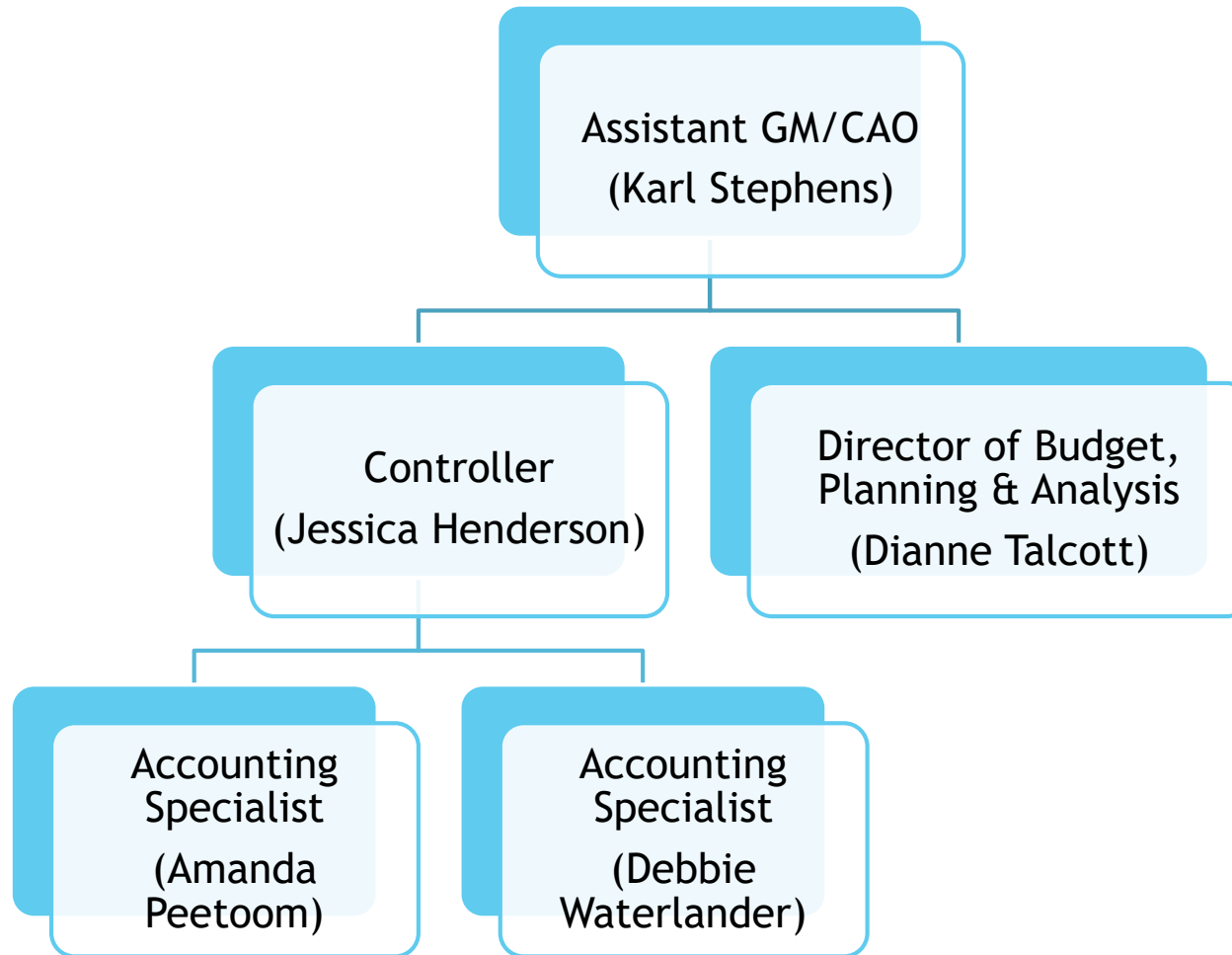


# The Landings Association's Budget Process and Budget Overview



# TLA Finance Department



# Agenda - Budget Process

The Landings

Annual  
Assessment

Operating Fund  
and Capital  
Reserves Fund

Financial  
Planning for  
our Future

Development  
of Budget Line  
Items

Budget Review  
and Approval



# The Landings: *A Brief History*



First Developed in 1972 by the Branigar Organization



Most Infrastructure (Storm Drains and Roads) is original



# The Landings at a Glance



8,500+ residents, 4,420 Lots, 4,123 Homes



Total of 4,755 Acres



715 Acres of Common Property (574 in turf, 4 in athletic fields, 22 at gates, and 115 in forest)



313 Center Islands/Medians



151 Lagoons (269 acres), 54 control structures



# The Landings at a Glance



91 Miles of Roads



47 miles of Storm Drains



30 Miles (22 paved) of Community Paths/Trails



11 Bridges



11 Buildings



7 Gated Entrances (10,000 vehicles/day)



# The Landings at a Glance



3 Storage Facilities



2 Deep Water Marinas



Delegal Sunset Pavilion



2 Athletic Fields with Playground



Dog Park



# Annual Property Owners Assessment



Annual Homeowner's Dues required by Covenants and Restrictions



Assessment Amount is approved by Property Owners no more than every three years



Last Assessment Vote failed in 2018



Flat Assessment for 2019 and 2020 Budgets = \$1,850





# Assessment Allocation



Your assessment gets allocated to the **Operating Fund** and to the **Capital Reserves Fund**



The amount of the assessment allocation depends on the current infrastructure needs



# Operating Fund and Capital Reserves Fund



**Operating Fund:** day-to-day services (insurance, taxes, staffing, etc.)



**Capital Reserves Fund:** repair and replacement of assets (restricted fund) (roads, paths, storm drains, etc.)



# Development of Budget Line Items

- ▶ Mandatory line items (Needs)  
Examples: taxes, insurance,  
aging infrastructure
- ▶ Discretionary line items (Wants)  
Examples: seasonal cookouts and live Marina  
webcams



# Revenue and Expenses

## Examples of Revenue:

- Owner Assessments - primary source (64%)
- Commercial Vehicle Registration
- Architecture Fees
- Dog Park Fees
- Boat Storage
- Fuel Sales

## Examples of Expenses:

- Staffing (54%)
- Landscaping
- Road Repair/Replacement
- Storm Drain Repair/Replacement
- Repair and Maintenance
- Insurance for Common Property
- Engineering Studies
- Lagoon Expenses



# Operating Fund Budgeting Approach

Historical Trend Based Budgeting:  
line items based on past trends

Zero-Based Budgeting:  
line items are prepared from zero

TLA uses both when budgeting which is typical for a Homeowner's Association



# Capital Reserves Fund Budgeting Approach



Review Capital Asset Management Plan (CAMP) for any changes



Changes based on manufacturing updates and vendor recommendations



Changes and expenditures reviewed annually with Reserves Subcommittee



# Examples of Infrastructure Costs from Capital Reserves Fund



Storm Drain Root Intrusion



Main Gate Road Repair



# Examples of Infrastructure Costs from Capital Reserves Fund



Bridge Repair



Community Path Repair



# Examples of Equipment in the Capital Asset Management Plan (CAMP)



\$310,000 Jetter Truck



\$215,000 Street Sweeper



\$34,083 Utility Tractor



\$33,275 Security  
Department Vehicle



\$30,000 Stump Grinder



# Financial Planning for our Future



6-year Long Range Financial Plan (LRFP) is prepared



Annual Updates are made to both Funds



Cash Flow Projections are created



# Budget Review and Approval

Starting in June of each year for several months, the annual draft budget is prepared by TLA Staff

Once prepared, the draft budget is reviewed by Budget Liaisons and Board of Directors via Reports and Discussions

Budget is approved at the December Finance and Board Meetings

Budget Book is distributed and posted online for the community



# Agenda - Budget Overview

Operating  
Fund  
Comparison

Capital  
Reserves Fund  
Comparison

2020 Proposed  
Operating  
Expenditures

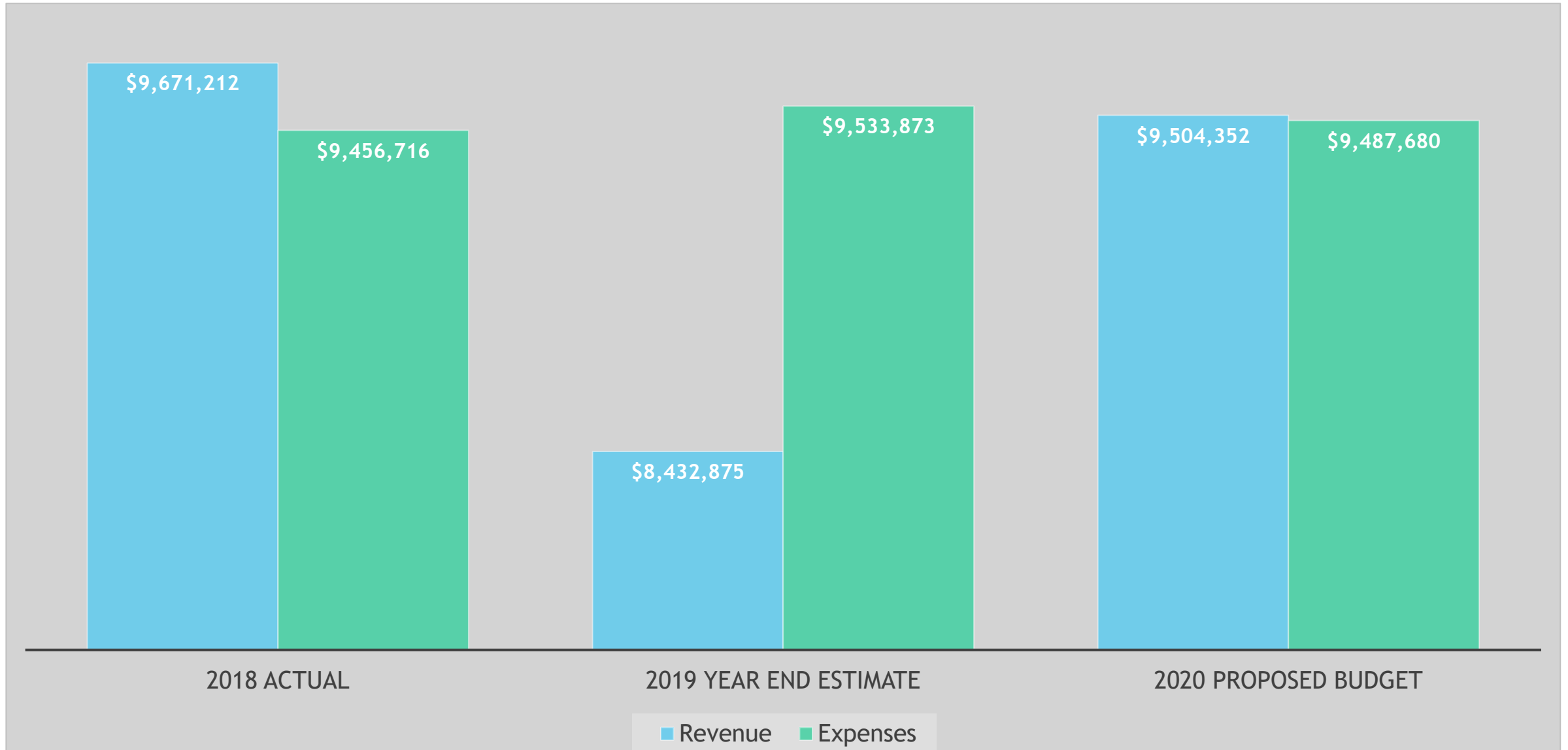
2020 Proposed  
Capital  
Expenditures

Reserve Study

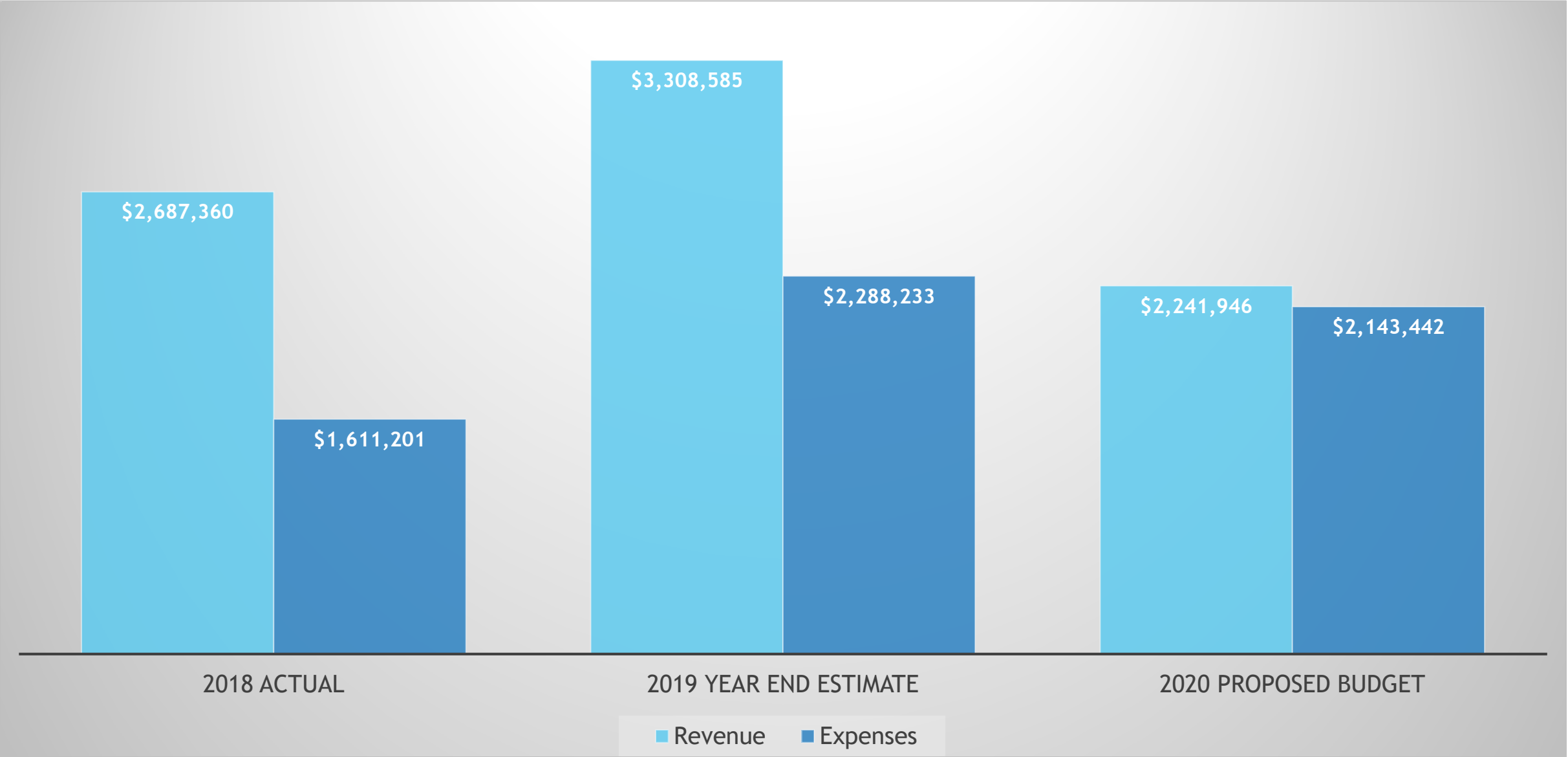
Key Takeaways  
from Proposed  
2020 Budget



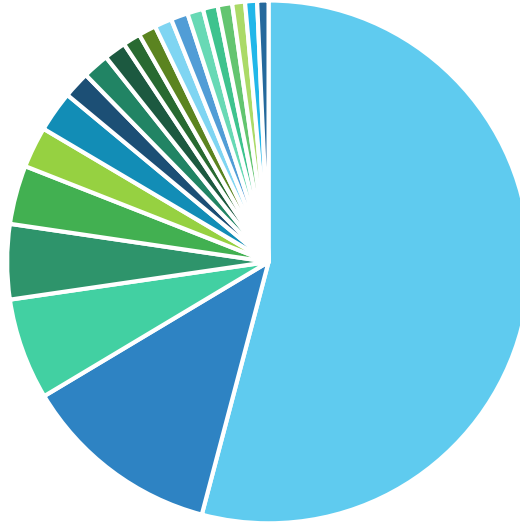
# Operating Fund Comparison



# Capital Reserves Fund Comparison



# 2020 Proposed Operating Expenditures

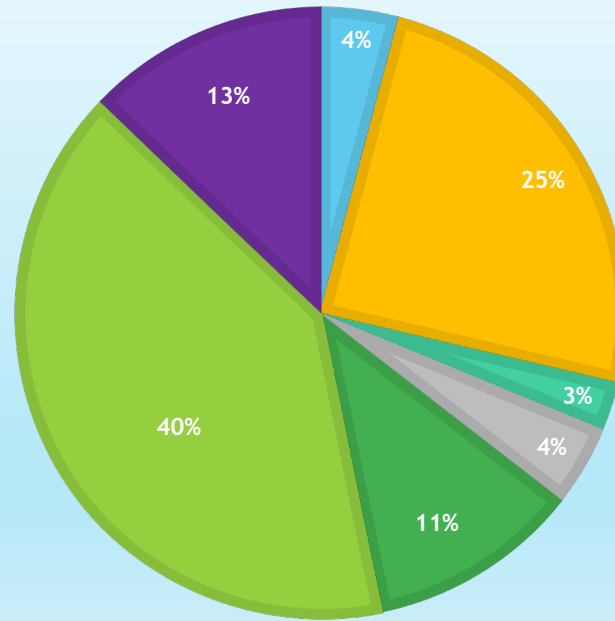


■ Staffing	■ Landscaping	■ Insurance	■ Repair & Maintenance	■ Other Miscellaneous Expenses
■ Utilities	■ IT Support	■ Facilities Maintenance	■ Lagoon Maintenance	■ Operating Contingency
■ Median Refurbishment	■ Landings Harbor Dredging	■ Legal Fees	■ Office Supplies	■ Road Maintenance
■ Property Taxes	■ Fleet Maintenance	■ Signs and Mailboxes	■ Wildlife Management	■ EMS/Safety

Staffing	\$4,973,793	54%	Median Refurbishment	\$100,000	1%
Landscaping	\$1,131,449	12%	Landings Harbor Dredging	\$100,000	1%
Insurance	\$576,666	6%	Legal Fees	\$99,000	1%
Repair & Maintenance	\$425,950	5%	Office Supplies	\$96,748	1%
Other Miscellaneous Expenses	\$334,250	4%	Road Maintenance	\$90,000	1%
Utilities	\$233,288	3%	Property Taxes	\$83,944	1%
IT Support	\$231,779	3%	Fleet Maintenance	\$82,338	0.5%
Facilities Maintenance	\$152,285	2%	Signs and Mailboxes	\$72,680	0.5%
Lagoon Maintenance	\$150,453	2%	Wildlife Management	\$68,020	0.5%
Operating Contingency	\$125,000	1%	EMS/Safety	\$64,206	0.5%
<b>Total</b>			<b>Total</b>	<b>\$9,191,849</b>	

# 2020 Proposed Capital Expenditures

■ Association Capital Other   ■ Bridges/Structures/Equipment   ■ Lagoons/Dikes/Structures  
■ Marina Capital and Repair   ■ Paths/Trails   ■ Roads  
■ Storm Drains



Roads	\$865,933	40%
Bridges/Structures/Equipment	\$525,900	25%
Storm Drains	\$275,000	13%
Paths/Trails	\$241,675	11%
Marina Capital and Repair	\$91,500	4%
Association Capital Other	\$88,434	4%
Lagoons/Dikes/Structures	\$55,000	3%
<b>Total</b>	<b>\$2,143,442</b>	<b>100%</b>



# Reserve Study



Step 1

Component Analysis



Step 2

Financial Analysis



Step 3

Develop Funding Strategy

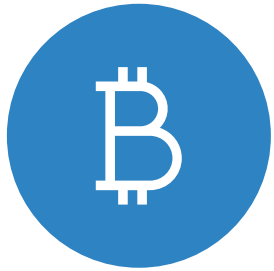


Step 4

Completed Reserve Study



# Key Takeaways from Proposed 2020 Budget



Budget = the needs (mandatory) and wants (discretionary) of the community



Decrease in Operating Expenses, increase in Capital Reserves Expense



Aging Infrastructure = higher costs



The 2020 Budget approval will be an agenda item for the December 17, 2019 Board Meeting



