



MANGO PARK HOMEOWNERS ASSOCIATION, INC.

DATE: Friday, November 6, 2020
Topic: 2021 Budget
NOTES

2021 Budget

The operating budget was discussed. The change from 2020 to 2021 is a few hundred dollars more. Jamie requested the money for the compliance software (\$360) be a separate line item rather than included in the Office Expense line item. Lorraine agreed to this. The software is intended to tract covenant violations. This cost was added 2 years ago and Jamie said Mango Park has not benefited from the additional fee. He suggested discontinuing this expense. He said the money should go toward new mailboxes that are needed. Jamie also asked that the Pond Maintenance line item total be changed from \$1500 to the actual cost of \$1452. Lorraine agreed to this.

The reserve budget was discussed. Common property items that are HOA responsibilities were outlined as potential projects that the reserves could fund. Three projects were unanimously recommended by the Asset Management Committee to the Board at the Oct 7 meeting. These were included in the proposed reserve budget.

Mailboxes are the first project. There are 43 mailboxes that need work based on a survey done by Sean and Lorraine. It is proposed that \$2000 be used to bring mailboxes up to standard. Jamie struck this down. He proposed to replace the boxes on an as needed basis when an owner requested one. He said owners should take care of mailboxes.

The proposed reserve budget includes \$1000 to clean the entry. Jamie struck this down saying it should not be done until the curb is straightened.

The wall has been assessed and determined to need painting on both sides. Two quotes were received and a third is expected. Based on the estimates \$5000 was included. Jamie struck this down. He wanted more estimates and consideration of painting just one side of the wall, the inside.

The pond requires work as is stated in the permit modification. This is above and beyond correcting the weir. The proposed budget included \$5000 to hire our current contractor to continue his work of meeting with residents and preparing phase 2 plans. This is based on the costs of the two previous contracts. Also included was \$2000 for legal expenses to examine issues related to the easement around the pond. It included \$7000 (a figure from our contractor) to plant the required water plants that are part of the pond filtration system. And it included \$10,000 (an estimate) for clearing the invasive plants, trimming trees and establishing ground cover on the north bank. This is a total of \$24,000 for the pond. Jamie struck down these expenses also, saying we did not need to raise dues to cover these costs. We needed more information on the pond projects from the contractor.

The proposed reserve projects total \$34,000. It was proposed that dues be increased by \$85/qt/owner. This means a raise in the annual dues from \$752 (current) to \$1092 per owner (proposed). Of this, the extra \$340 a year per owner would be dedicated to Reserves and the projects stated above. This increase would only be

for as long as funds are needed for the required work and to bring the pond into compliance (estimated to be no more than 5 years).

The board disagreed on the proposed reserve budget. Lorraine wants to increase the reserve to pay for needed projects and the large pond work expected under the permit modification. Jamie says the \$20,000 on hand in the reserve plus the \$16,000 that would be added over 2021 from dues was sufficient. Lorraine offered to compromise with everything on the table. Jamie was not willing to compromise on any item, not even Bill's suggestion to raise dues by \$12/qt/owner or \$48 per year per owner.

A call for a vote was made by Lorraine. MOTION made by Jamie, seconded by Lorraine to approve the budget with the two operating budget changes and keeping the 2021 quarterly dues at \$188. MOTION passed unanimously.

Homeowner Comments (3 minutes each)

- a. Bill Woodruff commented in favor of the Compliance Software and was opposed to its removal from the budget. He said if we need to spend more, we are not set up for that. We should start to increase the dues now. He suggested increasing the dues to \$200 a quarter from \$188 and allotting the additional monies (\$2,880) to the Reserve Budget.
- b. Alexandra commented that the mailboxes could be pressure washed and that the wall project needed 2 or 3 more estimates.
- c. Sean agreed with Bill on the software issue. He said the north side of the wall needs work ASAP. He suggested doing just one side. He said that the reserves do need to be adjusted.
- d. Scott said the north side of the pond is the big issue and needs to be studied more. He said the amount of reserves with the increase would equal \$102,000 in the five years. He asked if dues could be raised in mid-year if needed. This would require a budget modification. A special assessment would be the way to fund a specific project.
- e. Nick commented about the pavers not being done until the county fixes the uneven curb.
- f. Someone raised the issue of having a surplus in the reserves and what would happen to it. It would not be returned to owners according to Nicole. It would stay there until used.