

Longacres Homeowners Association



**ANNUAL MEETING
NOVEMBER 14, 2013**

2013 Accomplishments



- 41/Longacres Entrance upgrade - Landscaping Committee worked to create recommendation for 41/Longacres entrance improvements. They researched and received vendor bids. Committee recommended vendor and solution. Board reviewed and approved. Entrance was upgraded during the summer with significant improvements. Landscaping Committee continued to monitor new plantings throughout the summer.
- Add irrigation along 41 berm
- Upgraded lighting at all entrances to improve reliability, installed consistent LED lighting for future maintenance ease. Added new outlets as needed for holiday lighting.
- Completed playground certification on East and West Park playground equipment. Resolved minor safety issues.
- Volunteers and vendor removed dying junipers at the Galpin entrances.
- Addressed clean-up issues in ponds
- Worked with City of Chanhassen to resolve issues from water main break at Galpin/Hunter entrance including repairing electrical, irrigation and landscaping.
- Volunteers hosted successful End of School year party and National Night Out events.
- Architecture Review Committee reviewed and approved 17 homeowner enhancement requests.

2013-14 Budget Outlook



2013 Year-to-Date

- Actual spend year-to-date tracking to Budget, income also on track but is annualized in the Budget
- Hwy. 41 entrance landscaping – used Reserves, instead of General Fund
- Reserve Balance expected to end year around \$69,000, versus 2013 Budget of \$85,261 - \$10,000 in Savings as Emergency Funds

2014 Proposed Budget

- Increase Dues 5% to cover increased costs associated with aging neighborhood and to build Reserve balance necessary for upcoming capital projects
- Increased Grounds Maintenance, Landscaping, Snow Removal, and Office/Misc. while reducing General Repair, Electricity, and Fountain/Pond Maintenance
- Planned Reserve Contribution of \$20,000 for 2014

	2013 Budget	2013 Actual		2013 Anticipated YE		2014 Proposed Budget	
		Through 9 months					
Ledger Description	Annually	Per Unit annually	Actual YTD	Per Unit annually	Annually	Per Unit annually	Annually
Association Fees	\$93,240.00	\$402.41	\$89,334.02	\$420.03	\$93,247.00	\$441.00	\$97,902.00
Late fee income	\$0.00	\$5.01	\$1,112.18	\$5.01	\$1,112.18	\$0.00	\$0.00
Interest Income	\$100.00	\$0.38	\$83.44	\$0.38	\$101.05	\$0.45	\$100.00
Misc. Income	\$0.00	\$0.23	\$50.00	\$0.23	\$50.00	\$0.00	\$0.00
Highcrest Meadows Income	\$4,061.68	\$17.23	\$3,825.00	\$17.23	\$4,061.68	\$19.86	\$4,410.00
Total Income	\$97,401.68	\$425.25	\$94,404.64	\$442.87	\$98,571.91	\$461.32	\$102,412.00
Management Fee	\$11,500.50	\$39.03	\$8,664.00	\$52.04	\$11,552.00	\$53.99	\$11,985.20
Insurance (\$5000 deduct)	\$2,000.00	\$8.32	\$1,846.00	\$11.09	\$2,461.33	\$11.50	\$2,553.63
Grounds Maint.(Lawn,Snow, Fert/Weed con	\$9,600.00	\$49.80	\$11,055.00	\$59.88	\$13,294.00	\$67.57	\$15,000.00
Legal Expense	\$1,100.00	\$0.35	\$78.00	\$1.13	\$250.00	\$4.50	\$1,000.00
Audit/review/Tax Prep	\$3,400.00	\$1.01	\$225.00	\$1.35	\$300.00	\$6.76	\$1,500.00
Bank Fees	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Income Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State Income Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office/ Misc.	\$3,150.00	\$8.56	\$1,900.00	\$14.19	\$3,150.00	\$15.77	\$3,500.00
Electricity	\$4,655.00	\$11.08	\$2,459.00	\$18.47	\$4,100.00	\$18.47	\$4,100.00
Irrigation Water	\$9,200.00	\$8.68	\$1,926.00	\$40.99	\$9,100.00	\$45.05	\$10,000.00
General Repair	\$24,500.00	\$34.63	\$7,687.00	\$54.05	\$12,000.00	\$54.05	\$12,000.00
Snow Removal	\$2,100.00	\$6.31	\$1,400.00	\$9.46	\$2,100.00	\$11.26	\$2,500.00
Irrigation Maint.	\$3,800.00	\$28.63	\$6,355.00	\$38.17	\$8,473.33	\$18.02	\$4,000.00
Fountain Maintenance	\$2,300.00	\$3.66	\$812.00	\$3.66	\$812.00	\$9.01	\$2,000.00
Landscaping	\$7,000.00	\$26.05	\$5,784.00	\$54.05	\$12,000.00	\$45.05	\$10,000.00
Pond Maintenance	\$5,000.00	\$7.27	\$1,615.00	\$7.27	\$1,615.00	\$8.11	\$1,800.00
Contingency Fund	\$3,774.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses	\$93,329.50	\$233.36	\$51,806.00	\$365.80	\$81,207.67	\$369.09	\$81,938.83
Reserve Contribution	\$0.00	\$0.00	\$0.00	\$67.57	\$15,000.00	\$90.09	\$20,000.00
Total Expenses	\$93,329.50	\$233.36	\$51,806.00	\$433.37	\$96,207.67	\$459.18	\$101,938.83
Net Income (Loss)	\$4,072.18			\$9.50	\$2,364.24	\$2.13	\$473.17

LHOA Reserve Analysis



- **Reserve Advisors, Inc. completed a reserve analysis in April 2012**
- **Goal was to provide a funding plan that provides an adequate, not excessive, reserve during one or more years of significant expenditures**
- **An evaluation of all property site elements (22) was completed with expected replacement costs and projected replacement time periods**
- **Reserve analysis will be updated every 3-4 years**

LHOA Reserve Analysis



Primary findings and estimated replacement

- **Year 2013**

- ✓ Gazebo, Landscape wall – completed - \$3,770
- Ponds, erosion control - \$7,133

- **Year 2014**

- ✓ Gazebo, Paint Finish – completed in '13 - \$1,246

- **Year 2015**

- West Park replacement - \$42,334

- **Year 2016**

- Tennis Court surface and fence - \$67,161
- Pond aerators - \$6,146
- Split rail fences - \$10,351
- Walking paths, total replacement - \$5,984
- Sport Courts/Basketball hoops - \$4,852
- Concrete flatwork, partial replacement - \$1,229
- Monument wash and sealer - \$2,183

LHOA Reserve Cash Flow



Current projection of reserve balance based on Reserve Advisors expenditures and planned in-flows

Year	Anticipated Expenses	Reserve Balance Year-end	Necessary In-Flows	Major Item
2013	\$ 16,952	\$ 68,513	\$ 15,000	Hwy. 41 Entrance - \$16K
2014	\$ 1,246	\$ 87,267	\$ 20,000	
2015	\$ 47,448	\$ 59,819	\$ 20,000	West Park - \$42K
2016	\$ 97,906	\$ (18,087)	\$ 20,000	Tennis Courts - Surface & Fence - \$67K
2017	\$ 45,045	\$ (43,132)	\$ 20,000	East Park - \$40K
2018	\$ -	\$ (23,132)	\$ 20,000	
2019	\$ 17,341	\$ (20,473)	\$ 20,000	Gazebo - \$16K
2020	\$ -	\$ (473)	\$ 20,000	
2021	\$ 17,550	\$ 1,977	\$ 20,000	Monuments and Sport Court surface - \$14K
2022	\$ 38,627	\$ (16,650)	\$ 20,000	Ponds, Dredging, Partial - 2 each - 30K
2023	\$ 15,941	\$ (12,591)	\$ 20,000	
2024	\$ 5,264	\$ 2,145	\$ 20,000	
2025	\$ -	\$ 22,145	\$ 20,000	
2026	\$ 16,223	\$ 25,922	\$ 20,000	
2027	\$ 45,754	\$ 168	\$ 20,000	Irrigation System - \$45K
2028	\$ 54,327	\$ (34,159)	\$ 20,000	Irrigation System - \$46K
2029	\$ 1,653	\$ (15,812)	\$ 20,000	
2030	\$ -	\$ 4,188	\$ 20,000	

LHOA Reserve Cash Flow



Option 1 – “kick the can down the road”, no change to Reserve Contributions

Year	Anticipated Expenses	Reserve Balance Year-end	Necessary In-Flows	Major Item
2013	\$ 16,952	\$ 68,513	\$ 15,000	Hwy. 41 Entrance - \$16K
2014	\$ 1,246	\$ 87,267	\$ 20,000	
2015	\$ 67,000	\$ 40,267	\$ 20,000	Tennis Courts - Surface & Fence - \$67K
2016	\$ 30,906	\$ 29,361	\$ 20,000	Walking Paths, Split Rail Fences - \$16K
2017	\$ 47,448	\$ 1,913	\$ 20,000	West Park - \$42K
2018	\$ -	\$ 21,913	\$ 20,000	
2019	\$ 45,045	\$ (3,132)	\$ 20,000	East Park - \$40K
2020	\$ 17,341	\$ (473)	\$ 20,000	Gazebo - \$16K
2021	\$ 17,550	\$ 1,977	\$ 20,000	Monuments and Sport Court surface - \$14K
2022	\$ 38,627	\$ (16,650)	\$ 20,000	Ponds, Dredging, Partial - 2 each - 30K
2023	\$ 15,941	\$ (12,591)	\$ 20,000	
2024	\$ 5,264	\$ 2,145	\$ 20,000	
2025	\$ -	\$ 22,145	\$ 20,000	
2026	\$ 16,223	\$ 25,922	\$ 20,000	
2027	\$ 45,754	\$ 168	\$ 20,000	Irrigation System - \$45K
2028	\$ 54,327	\$ (34,159)	\$ 20,000	Irrigation System - \$46K
2029	\$ 1,653	\$ (15,812)	\$ 20,000	
2030	\$ -	\$ 4,188	\$ 20,000	

LHOA Reserve Cash Flow



Option 2 – adjust replacement time period and increase Reserve Contribution

Year	Anticipated Expenses	Reserve Balance Year-end	Necessary In-Flows	Major Item
2013	\$ 16,952	\$ 68,513	\$ 15,000	Hwy. 41 Entrance - \$16K
2014	\$ 1,246	\$ 87,267	\$ 20,000	
2015	\$ 67,000	\$ 45,267	\$ 25,000	Tennis Courts - Surface & Fence - \$67K
2016	\$ 30,906	\$ 39,361	\$ 25,000	Walking Paths, Split Rail Fences - \$16K
2017	\$ 17,341	\$ 47,020	\$ 25,000	Gazebo - \$16K
2018	\$ 47,448	\$ 24,572	\$ 25,000	West Park - \$42K
2019	\$ 5,094	\$ 44,478	\$ 25,000	Tennis and Sport Court color coat - \$5K
2020	\$ 45,045	\$ 19,433	\$ 20,000	East Park - \$40K
2021	\$ 12,456	\$ 26,977	\$ 20,000	Monuments clean and seal - \$12K
2022	\$ 38,627	\$ 8,350	\$ 20,000	Ponds, Dredging, Partial - 2 each - 30K
2023	\$ 15,941	\$ 12,409	\$ 20,000	
2024	\$ 5,264	\$ 27,145	\$ 20,000	
2025	\$ -	\$ 52,145	\$ 25,000	
2026	\$ 16,223	\$ 60,922	\$ 25,000	
2027	\$ 45,754	\$ 40,168	\$ 25,000	Irrigation System - \$45K
2028	\$ 54,327	\$ 10,841	\$ 25,000	Irrigation System - \$46K
2029	\$ 1,653	\$ 29,188	\$ 20,000	
2030	\$ -	\$ 49,188	\$ 20,000	

LHOA Reserve Analysis



Recommend Option 2 approach to managing Reserve Contributions and outflows

Will evaluate options for managing general expenses in 2015-20, to offset necessity to increase dues

Updated Reserve Analysis will be presented also in 2015 or as part of 2016 Budget process