

COUNTRY LAKES HOME OWNERS ASSOCIATION  
BUDGET MEETING OF THE BOARD OF TRUSTEES

DATE: November 24, 2020

BUDGET MEETING of November 24, 2020 Country Lakes HOA Board was called to order at 6:31PM (Tuesday) via video conferencing. A note is in order to explain for future reference that due to the healthcare pandemic of Covid-19 both federal and state government authorities and healthcare experts encouraged that “social distancing” be instituted. This is a continuance of compliance to the government order and meeting via video conferencing.

BOARD MEMBERS:

Shawn Smith - Participated  
Bob Beres – Participated  
Art DePompei - Participated  
Bill Hanigan – Participated  
Vince D’Angelo– Participated

OTHER REQUESTED ATTENDEES:

Bruce Buller – Participated  
Anthony Embrogno – Participated

The Financial Members of the Board, Treasurer Art DePompei and Assistant Anthony Embrogno had prepared a “Country Lakes HOA 2021 Budget – Draft 11/24/20” for the Board. It had five basic columns (Account Category Name, 2020 Budget Amounts, 2020 YTD (10Mo) of expense, 2020 Annualized, and Proposed 2021 Budget). It was laid out so that Board Members could review our current Budget Goals, where we current stood with each category item as of October 2020 in terms of YTD expenses; then review the proposed 2021 Budget categories to that baseline.

The Proposed 2021 Budget Operating Expenses were provided by Property Manager Bruce Buller, who had also provided a multi-page 2021 detail of Proposed Operating expenses He further provided a separate report on the quotes for Landscaping & snow removal, Fertilization, and Lake Management.

Treasurer Art DePompei commenced with explaining/detailing each item of his report. Notable items of concern were:

- Interest Income would be significantly lower than in the past, due to low interest rates on allowable investments
- The Agreement between the Fox Meadow Master Association and Country Lakes regarding the cost and reimbursement for the maintenance of FMMA Properties adjacent to Country Lakes. Details of the new agreement were provided by President Shawn Smith. A strong statement was set forth requiring that future contracts from both the Landscaper and Fertilization vendors provide a clear break-out of cost of the FMMA Property maintenance and that of Country Lakes.
- Increase to our Legal Expense to offset the future cost of two amendments regarding HOA Homeowner action with/without a formal meeting & method of payment.
- Amount necessary to cover possible tax expense

- Increase costs related to both Lawn mowing/etc. and Fertilization; where one relates to an increase by the service provider; whereas the other relates to an additional application.
- Pending Pond expense related to the outcome of an Inner-Lakes Depth and Sediment Study, which could trigger the need for an additional Bio in the Sunrise Lake, the expense cannot be determined until after the 2021 study.
- The need for a back-up unit related to the ponds was also discussed. The overall age of the equipment and the delays in sending a unit and waiting for it to be returned has become an issue in the past.
- The acquisition of a new service for homeowners, related to insect/spider infestation around many of the homes around the lakes, as well as those abutting the golf course was explored.
- Incurred expenses that should be re-categorized as Reserve Expense, but had been paid from the Operating expense fund. Several items such as those involving improvements to our road were identified, and the opportunity to adjust said financial accounts prior to year end were still yet available.
- A New Reserve Study, which occurs every five years, is planned for 2021 and possible implication(s) on full funding were also discussed.

After deliberating the itemized categories and services, a need to review the aforementioned expenses in terms of whether they are Operating or Reserve Expenses was then enjoined. A preliminary determination of Operating versus Reserve Expenses was made. Increased expenses, as well as the desire to provide homeowners improved fertilization program (eradicate the bill bug problem in a number of homes, and its potential to spread, plus an insect protection program, the realization that a monthly dues increase was needed. Additional discussion and further review of the financial planning ensued. On a specific issue related to Worker Compensation for the Property Manager, Bob Beres was asked to contact our legal firm (Kaman & Cusimano) for clarification on eligibility/protection.

Treasurer Art DePompei suggested that his report be updated and the discussion based on the new report be enjoined at our next meeting on December 1<sup>st</sup>. Without exception his suggestion was well received.

During the discussions several motions were made:

- Motion to approve 2021 contracts in the amounts and services provided in their quotes with Mueller for Landscaping and Mulching services, Weed Pro for Fertilization, and Pond Control for Lake Maintenance; and whereas the Contracts with Mueller and Weed Pro will have the expense related to the Fox Meadow Master Association property broken out and listed.
  - Moved By: Bob Beres
  - Seconded By: Vince D'Angelo
  - Vote: Unanimous
- Motion to engage the two year option on the quotes from Pond Control and Mueller Landscape.
  - Motion By: Bob Beres
  - Seconded By: Vince D'Angelo
  - Vote: Unanimous

- Motion to transfer \$24,500 from the Reserve Funds to our Operating checking account, and to deposit year end operating excess income into the Reserve Fund; and to increase monthly homeowner dues by ten (\$10.00) commencing January 1, 2021.
  - Moved By: Art DePompei
  - Seconded By: Bob Beres
  - Vote: Unanimous
  - Discussion centered on expenses, increased services, and two reductions in dues over the last five years.

ADJOURNMENT at 8:44 of the formal meeting:

MOTION WAS MADE by Bill Hanigan

Motion was carried

*Minutes were prepared by William Hanigan, Secretary on November 25th.*

*Approved at the Board Meeting of December 15, 2020*