

# Overview of Leisure Park Infrastructure Amenities Budget and Monthly Dues

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- LPHOA is a non-profit association of 314 members, incorporated in the State of Idaho.
- We are bound by our CCRs Article 4.2 to “maintain, improve, repair, operate and replace areas and facilities owned and managed by the Association.” This includes both our Infrastructure and our Amenities.
- Your HOA Board of Directors has the fiduciary responsibility to ensure that these objectives are met, and we take this responsibility very seriously.

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# **Leisure Park Infrastructure**

- Infrastructure expenses are funded by our Reserves Account, which in turn, is funded by our monthly dues. It is normally replenished in the following year from excess income and by limiting capital expenses.
- Minimum Reserve Account targeted balance has been \$100K, but... needs to be increased to \$150K to keep up with inflation.
- Normal operating expenses are now nearly equal to our annual income from dues. Reserves can no longer be replenished and must be increased due to rising costs and economic conditions.
- This year, Road Maintenance will cause Reserves to fall below target and remain there in the future, and.....beyond.

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## **Leisure Park's Infrastructure Includes:**

- ROADS and DRYWELLS
- SEWER LINES (TRUNK)
- WATER SYSTEM
  - WELLS & PUMPS
  - PUMPHOUSE BUILDING
  - WATER DISTRIBUTION LINES
  - RESERVOIR (100,000 GALLON)
  - ELECTRONIC CONTROLS
  - EMERGENCY GENERATOR
- COMMON AREAS
  - LIGHTING
  - IRRIGATION

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## And Don't Forget the Aging Amenities.....

### CLUBHOUSE & OTHER

- **FITNESS  
EQUIPMENT**
- **JACUZZI &  
SAUNA**
- **DOORS,  
WINDOWS &  
TREATMENTS**

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## Long Range Planning & Reserve

### Account

- **Prior Board developed a LR Plan in 2015 & implemented it in 2016.**
- **Four older areas of the Park were targeted for ROAD repair starting in 2016.**
- **Only three of the four areas were completed through 2019 when the program was deferred for two years. No replacement plan was developed. No road work was completed in 2020 or 2021.**
- **Fourth area (Woodlawn Drive, North & West sides) has been scheduled for completion in summer 2022.**
- **Cost of Woodlawn Project = \$78,000 (including 1.5 " of new asphalt overlay & Honeysuckle Entrance/Exit improvements). Quote increased \$4K since 9/2021 and \$20K since 2015. A 50% down payment has been made.**

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# 2022 Profit & Loss (Budget)

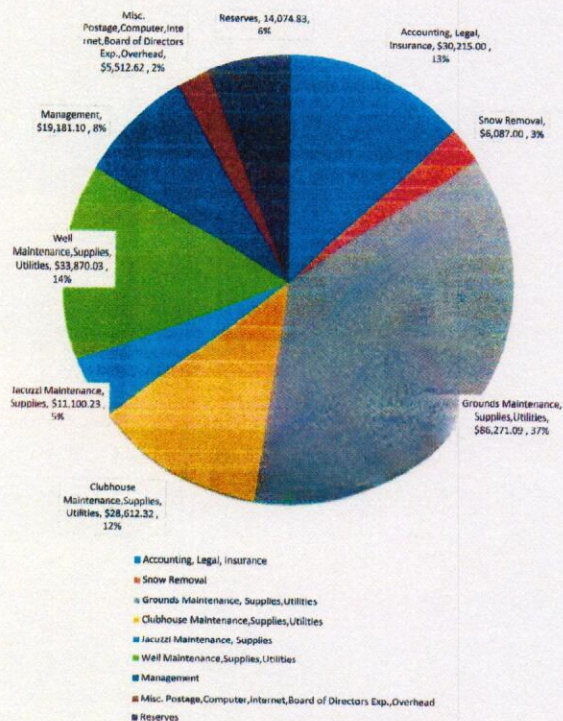
- **EXPENSES = \$288,500 (Roads Included)**
- **INCOME = \$230,945 (Projected)**
- **DEFICIT = \$ 57,555**
- **REMAINING RESERVES = \$ 91,326**

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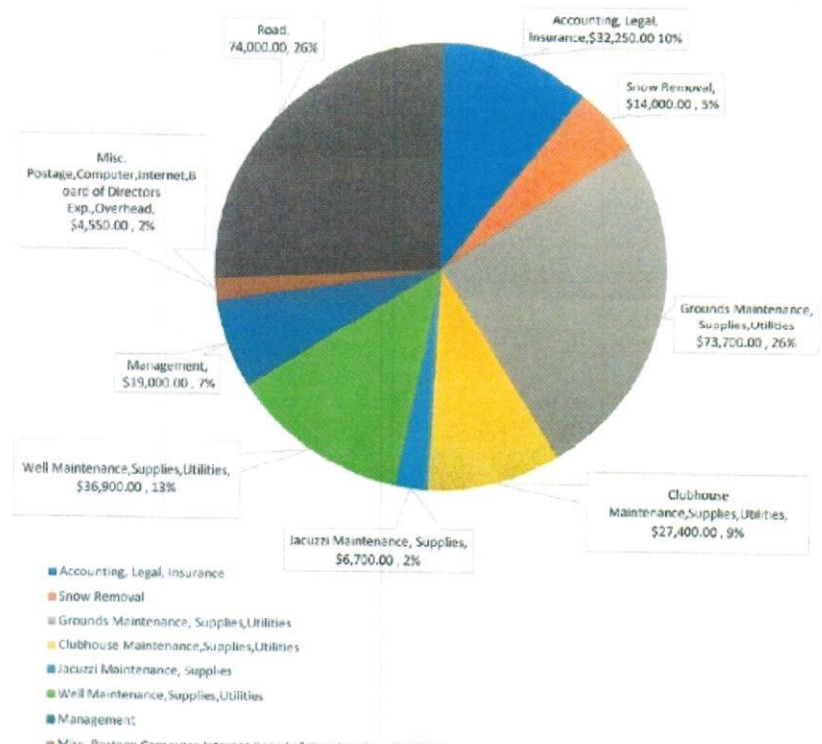
## Leisure Park Homeowners Assoc.

This chart shows how your \$60 monthly dues were allocated in 2021



## Leisure Park Homeowners Assoc.

This chart shows how your \$60 monthly dues were budgeted for 2022





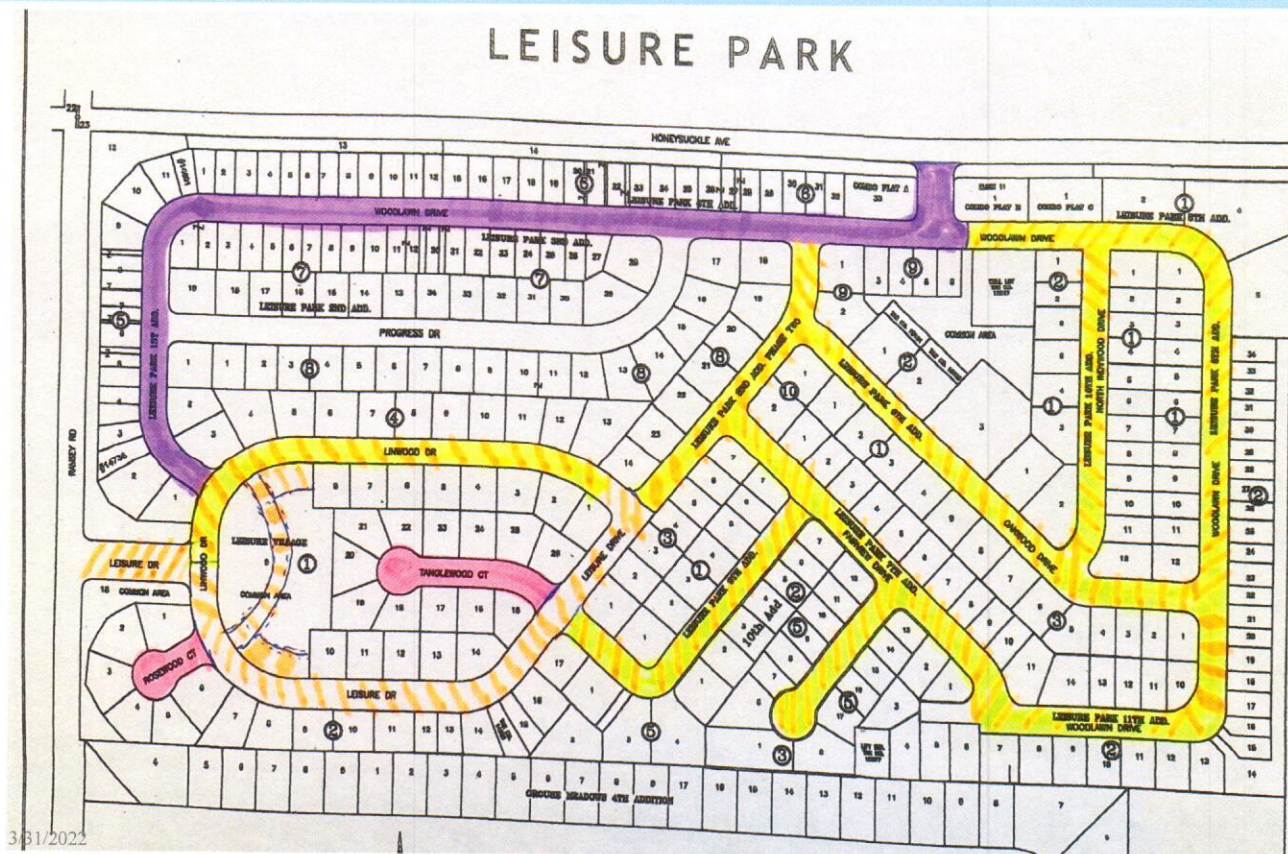
# Roadwork Management

## Ongoing road projects:

- Pavement Overlays (\$30,000-\$35,000 estimate)
- Crack Seal (\$10,000)
- Seal Coating (\$40,000)

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# DEPLETED RESERVES?

- What happens to our reserves if we don't increase our income from monthly dues?
- We rapidly lose our ability to address infrastructure emergencies and/or capital improvements. Thus, property values begin to fall.

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## RESERVES DECLINE IF WE TAKE NO ACTION TO INCREASE DUES

YEAR END	REVENUE	EXPENSE \$	RESERVES	ASSUMPTIONS
2021	\$ 231,318	\$ 220,849	\$ 148,881	Status Quo
2022	\$ 230,945	\$ 288,500	\$ 91,326	Assumes no special assessment or increase in annual assessment. Overlay Woodlawn (\$78K)
2023	\$ 226,080	\$ 226,815	\$ 90,591	3% inflation to Annual Base expenses and Crackseal all roads (\$10K)
2024	\$ 226,080	\$ 253,319	\$ 63,352	3% inflation to Annual Base expenses and Overlay Tanglewood & Rosewood (\$30K)
2025	\$ 226,080	\$ 270,019	\$ 19,413	3% Increase in Annual Base Expenses and Seal Coat Roads (\$40K)
2026	\$ 226,080	\$ 236,920	\$ 8,573	3% Increase in Annual Base Expenses
2027	\$ 226,080	\$ 244,027	\$ (9,374)	3% Increase in Annual Base Expenses

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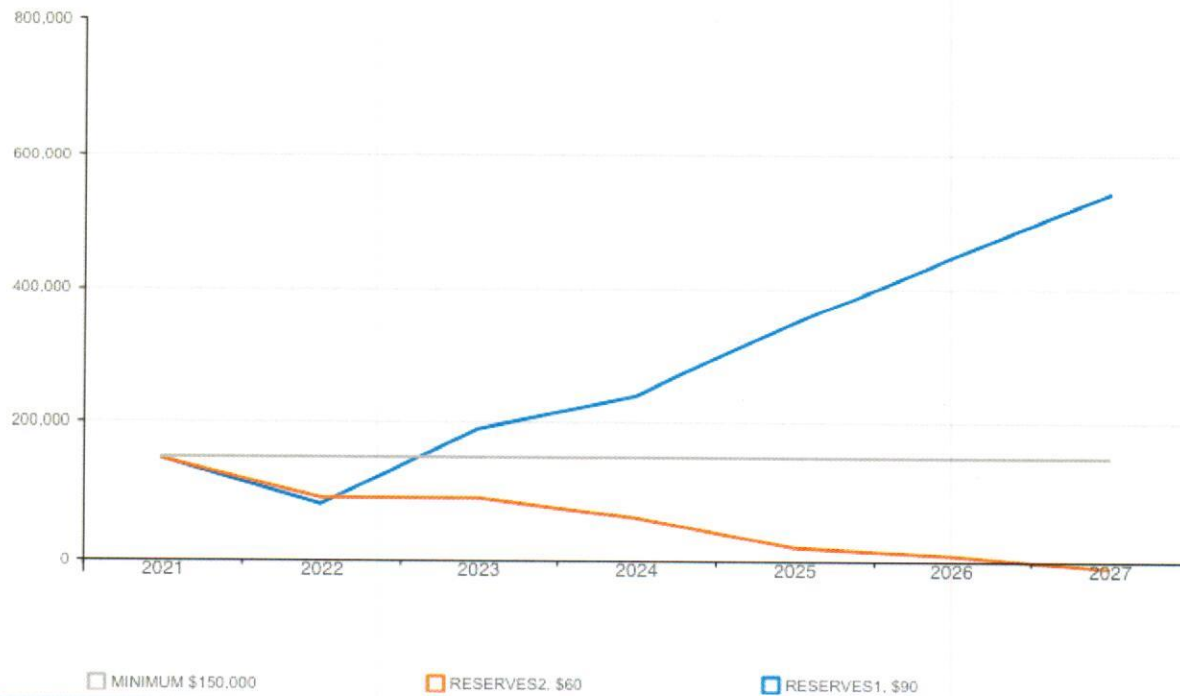
## RESERVES GROWTH WITH DUES INCREASED TO \$90/MO

YEAR	REVENUE	EXPENSE \$	RESERVE \$	ASSUMPTIONS
2021	\$ 231,318	\$ 220,849	\$ 148,881	Status Quo
2022	\$ 230,945	\$ 298,500	\$ 81,326	Finish Woodlawn overlay and Crack Seal all roads
2023	\$ 339,120	\$ 216,815	\$ 203,631	HOA DUES to \$90/mo with a 3% Base Expense Increase
2024	\$ 339,120	\$ 293,319	\$ 249,432	3% Increase in Annual Base Expenses' plus \$40K for Sealcoat of all roads, and (\$30K) for Overlay of Rosewood & Tanglewood
2025	\$ 339,120	\$ 230,019	\$ 358,533	3% Increase in Annual Base Expenses
2026	\$ 339,120	\$ 236,920	\$ 460,733	3% Increase in Annual Base Expenses
2027	\$ 339,120	\$ 244,027	\$ 555,826	3% Increase in Annual Base Expenses

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RESERVES BALANCE -vs- TIME



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## **Summary**

- Road improvement and maintenance will continue to require our attention and resources now and in the future.
- The cost of asphalt products continue to rise, which is directly related to the cost of oil. This trend is expected to continue.
- Our clubhouse and common area are nearly 40 years old, requiring upgrades and repairs.
- Our minimum reserve must be increased to \$150K to keep up with inflation.

**Our ability to address capital improvements and preventive maintenance will require additional income.**

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## **Action to be Taken**

**The Board has concluded there is no other option but to increase the monthly dues from \$60 to \$90 per month, effective January 1, 2023.**

**A formal notice will be sent to all homeowners, via US mail during the month of October, as required by Leisure Park CCR's.**

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