



# THE ASSOCIATION UPDATE

September 26, 2019

by Jeff Urbaniak (Unit #87)  
President

## **MESSAGE FROM THE PRESIDENT**

The board held a quarterly meeting yesterday to approve some work orders, as well as the 2020 budget. An update is provided herein. Also, remember to periodically check our website for updates, especially in The Racquet & Swim Club tab. Here's the link:

<https://www.LandingsCondoAssociation6.org>

Additionally, a few residents complained to me that our management company, Lawrence Community Management Group, has been slow in accomplishing work orders. I brought it to Dave Pawloski's attention and he indicated he'll address the matter.

## **2020 BUDGET**

Our 2020 budget is projected to remain the same as in 2019; therefore, association fees are projected to remain the same. Our annual budget is \$55,484 and covers costs for common area electricity, water usage by all 16 units, trash removal, exterior repairs and maintenance, grounds maintenance, snow removal and salt, professional expenses and fees, office expenses, required association insurance, Racquet & Swim Club dues and lease, and our reserve fund allocation. As of August, we have \$4,804.78 in our operating checking account (which goes toward paying monthly bills per our budget) and \$11,710.03 in our reserve fund (which goes toward long-term savings to offset big-ticket maintenance costs, as well as providing top cover for our operating checking account should the monthly balance be depleted to cover unexpected expenditures). Our reserve fund balance is lower than required because residents, each year, have voted for the reserve funds to not be fully funded.

## **FULLY FUNDED VS. NOT FULLY FUNDED**

In a few weeks, Lawrence Community Management Group will mail you a packet that allows you to vote on fully funding or not fully funding our reserve fund. Why do residents continually vote to not fully fund? Because it keeps our association fees lower (at the rate they are now). However, not being fully funded means accepting the fiscal responsibility to pay for necessary assessments for any big-ticket maintenance items (like a new roof, new concrete, or wood siding replacement) when reserve funds don't completely cover the cost. If

you would prefer that the association is fully funded, you may vote as such; however, the option that receives 51% or more of owners' votes is the option that gets adopted by the association. If owners vote to be fully funded, a reserve study would be required to give us approximate timelines and costs of various projects over a period of at least 40 years. Over that long time span, it would not be unreasonable to expect our association to be required to accumulate approximately \$400,000--that's a continuous contribution of \$10,000+ a year to our reserve fund to be fully funded. Currently, we're contributing \$4,620 a year to it. Next year we'll contribute \$5,029.32 because we diverted a slight savings from the Racquet & Swim Club dues to our reserve fund. Nonetheless, as you can see, in the future, some assessments will become necessary. The good news for those concerned about receiving a large assessment is that we can aim to get an association loan to cover the expense with a term of 5 or 7 years or so to repay it. So, for instance, if a new roof costs \$100,000 and we get a 5-year loan, your association fees would go up approximately \$100+ a month for 60 consecutive months to cover this expense. Nothing is imminent, but we may be within 5 years of needing a new roof. Time will tell. This explanation was intended to give you an idea of what to expect when the time comes.

## **WORK ORDER STATUS**

The ceiling in unit #88 is scheduled to be fixed. Some rotted wood on the first step at unit #94 will be replaced. Green moss is scheduled to be washed off on the sidewalk between #93 and #96. The gutter on the garage of #85 and #86 may need to be reslanted. Portions of the wood beams behind #89 and #92's patios need to be cut off or fixed. Two dead trees will be cut down and removed during the winter months.

## **LIGHT POLE**

The management company has not yet assigned an electrician to fix this. It was addressed during yesterday's meeting and is expected to be fixed soon. Yard Works is then expected to reimburse us.

## **WORK ORDERS**

To request a work order, call Lawrence Community Management Group at (440) 937-2800 and give a detailed request.

~ The End ~