

**Kentlands® Citizens Assembly
Proposed 2018 Budget**

October 6, 2017

Dear Citizens:

Our annual budget planning process is nearing completion; this letter provides you with an overview of the proposed 2018 Budget, and an explanation of its details. I encourage you to review the information presented here. Please visit the Kentlands website at kentlandstowncrier.com for more-detailed budget information. Contact the Board at board@kentlandstowncrier.com with any comments, suggestions, or questions between now and the **Annual Meeting**, which is scheduled for **Tuesday, October 24th, at 7:30 pm** in the Clubhouse. In addition to the President's Annual Report and the Introduction to the Candidates forum, the Annual Meeting is also the last opportunity for public input on the 2018 Budget. The Board of Trustees (BOT) will vote on the budget during their monthly meeting on Wednesday, October 25th. As always, if any titleholder would like the line-by-line budget content, s/he may go to the Clubhouse to review it and/or may obtain a paper copy for personal use.

While some line items in the budget for 2018 were adjusted up or down depending on increases in contractual obligations or actual increases or decreases in cost of services or goods, the greatest impact on the 2018 draft budget was due to a significant reduction in the recommended contribution, per the Reserve Study, to the Reserve Fund from 2017 (\$600,000) to 2018 (\$148,000) of \$452,000. The net result was an overall decrease of about \$235,000 when comparing the 2018 proposed Operating Budget with the 2017 Budget.

The Budget and Finance Committee (BFAC) proposed to the Board of Trustees that approximately \$205,000 of the projected surplus be utilized to pay off bank loans that were taken out in 2015 and 2016 respectively to complete the repair of the Quince Orchard Road retaining wall. As the interest payment on the loans is 5% and the current interest accrued on savings is approximately 2%, this seemed to them the prudent recommendation. Adding this amount to the already allocated amount of \$83,150 for principal and interest payments in 2018 will provide more than sufficient funds to completely payoff both loans of \$282,257. Furthermore, the BFAC also suggested to the Board of Trustees that they consider borrowing the funds from the Reserve Account to pay off the loans on January 1, 2018 with monthly replenishments to the Reserve Account from the assessment income to avoid any interest payments on the loan in 2018.

The other significant addition to the 2018 budget was funding for revisions to Kent Oaks Mews to increase pedestrian safety as the area into the mews from Lake Street has become a cut through for children walking to Rachel Carson Elementary. An engineering firm was retained to provide solutions and based upon quotations received from that study \$30,000 has been allocated to the project in the

2018 Operating Budget and that work should begin next spring.

The end result is that there will be no increases to homeowners or other entities in the Kentlands Citizens Assembly Association in monthly assessment fees for 2018.

8 PROPOSED ASSESSMENTS						
	Housing Units	General	Club	Trash	2018 Total	2017
House/TH (inc LW)	942	103.29	26.93	11.15	141.37	141.76
Colonnade	315	12.50			12.50	12.50
Condo	443	77.47	26.93		104.40	104.40
Beacon Place	240	15.79			15.79	16.68
Kentlands Manor	219	15.70	15.70		31.40	33.16
Accessory	21	41.32			41.32	43.64

In conclusion, I would like to acknowledge and extend my appreciation to our General Manager Beth Brittingham, who took the hard first step of drafting the initial proposed budget, and was an excellent project manager of the overall process. Thanks also for the heavy lifting performed by the Budget and Finance Advisory Committee (BFAC), especially its Chair, Ken Dretchen. Other current members are Ade Alli, Yamil Hernandez, Guilia Mason, Bob Mauri, Asya Smith and Brooke Whitson. Last, but certainly not least, the entire budget process depended greatly on the enthusiasm, knowledge, and active engagement of President Barney Gorin and Christopher Campbell (Board Chair), Greg Cohen (Board Vice-Chair), Steve Longley (Secretary) and Ty Hardaway (Trustee). Thank you all!

Best Regards,

David Hofmann
Treasurer, Kentlands Citizens Assembly