

**2021 YTD Review**

**Income exceeds expectations due to construction surge – these builder and capital contributions will come to an end**

**Operating Expenses not yet recorded but expected by Y/E**

**Propane replace fence 6K**

**Termite treatment full perimeter Clubhouse 2K**

**Electric added to shack at pool, convert to LED, misc. approx. 1,200**

**Paint and beam repairs at clubhouse – cost not yet known**

**Flagpoles all have new halyard \$850**

**Replace 14 dead street trees 4K**

**Holiday decoration 1,500**

**Budgeted 10K extra to reserves in 2021 – have not yet funded**

**Held insurance review with our insurance agent**

**BOP Liability 1 million**

**Umbrella policy 5 million**

**Pier coverage is for liability only**

**\$1,000 deductible**

**Asked for replacement cost survey for common held structures (no cost)**

**Asked for quote with higher deductible, possible increased umbrella**

**Increased our fidelity bond coverage to \$750,000 to match funds - \$10K deductible**

**Researched and sought legal opinion on HOA liability exposure regarding public use of our common areas. When Pier issue resolves will further address 55-acre area with QAC.**

**Waiting for 2020 Audit Results**

**Question re legal expenses answered:**

**\$6,275 pier legal to date (2,500 is retainer) \$2,000 legal fees to address homeowner complaints to MD Consumer Protection Agency**

**2022 Proposed Budget**

**HOA fees basically hold steady as is this is the 1<sup>st</sup> budget assuming full build out.**

**Increased line items as a result of anticipating inflation and a backlog of necessary maintenance:**

**Building, grounds, environmental and admin contingencies**

**Irrigation and sidewalk maintenance**

**Legal and insurance**

**Developer has re-sided part of the Gatehouse which bought us time**

**Increase in Social Committee budget line acknowledging efforts of Mollie Flounlacker and her members**

**Additions:**

**Pet waste stations (bag dispenser only, not collection)**

**A \$1 per house per month donation to KIVFD was added \$3,360**

**Holiday decorations were added - some of this expense will take place in 2021**

**2020 Reserve study called for \$112,000 which is budgeted plus an extra 10,000.**

**Plan to update Reserve Study in 2023.**