

2019 PROPOSED BUDGET PRESENTATION

Montgomery Village Foundation
North Creek Community Center
August 23, 2018

AGENDA

- ✘ 2019 Budget Review
 - + P&L Summary
 - + Undesignated Reserves
 - + CCF Est. Balance
 - + Reserves
- ✘ 5 Year Plan
 - + Assumptions
 - + MVF Assessment
 - + DU Assessment

BUDGET REVIEW SUMMARY – MVF FUND

MVF Fund 2019 Budget vs. 2018 Budget

	<u>2019 Budget</u>	<u>2018 Budget</u>	<u>Variance</u>
Revenue	3,552,626	3,489,994	62,632
Personnel costs	3,201,526	3,165,767	35,759
Operating costs	169,020	256,342	(87,322)
Other income/expense	487,636	478,731	8,905
Use undesignated reserves	<u>(305,556)</u>	<u>(410,846)</u>	<u>105,290</u>
	<u>3,552,626</u>	<u>3,489,994</u>	<u>62,632</u>
Change in net assets	-	-	-
Increase per month/unit	\$ 0.55	\$ -	\$ 0.55

BUDGET REVIEW SUMMARY – MVF FUND

× Revenues:

- + Main Driver comes from Assessment increase of \$.55 p/month
 - × Generating about \$75k extra revenue

× Personnel:

- + 3% increase across the board
 - × Some deviation is due to salary difference for replacing open positions
 - × Temp & Part-Time positions have also been removed in CC14 (Finance/Admin) as new Full-Time person moves in
 - × Employee benefits increase for flex benefit (+\$25 per paycheck)

× Operating Costs:

- + Office Expense/Service contracts have decreased since scanning project is completed (was in '18 Budget)
- + Printing Costs are reduced as the *Village News* transitions to just one print publication a month.

× Other income/expense:

- + Additional Contribution to reserves per study & Capital Contribution Fees expenses.

× Use of undesignated reserves:

- + Less is expected to be used as we are increasing assessments.

BUDGET REVIEW SUMMARY – DU FUND

Designated Users 2019 Budget vs. 2018 Budget

	<u>2019 Budget</u>	<u>2018 Budget</u>	<u>Variance</u>
Revenue	3,872,491	3,675,758	196,733
Personnel costs	1,127,621	987,419	140,202
Operating costs	1,770,888	1,738,957	31,931
Other income/expense	973,982	949,382	24,600
Use undesignated reserves	-	-	-
	<u>3,872,491</u>	<u>3,675,758</u>	<u>196,733</u>
Change in net assets	-	-	-
Increase per month/unit	\$ 2.05	\$ 1.15	\$ 0.90

BUDGET REVIEW SUMMARY – DU FUND

✘ Revenues:

- + Main Driver comes from DU Assessment increase of \$2.05 p/month
 - ✘ Generating about \$199k extra revenue

✘ Personnel:

- + 3% increase across the board
- + New position: Assistant Facilities/Aquatics Manager
- + Increases to temp wages to keep up with minimum wage increases
- + Employee benefits increase for flex benefit (+\$25 per paycheck) and overtime budgeted

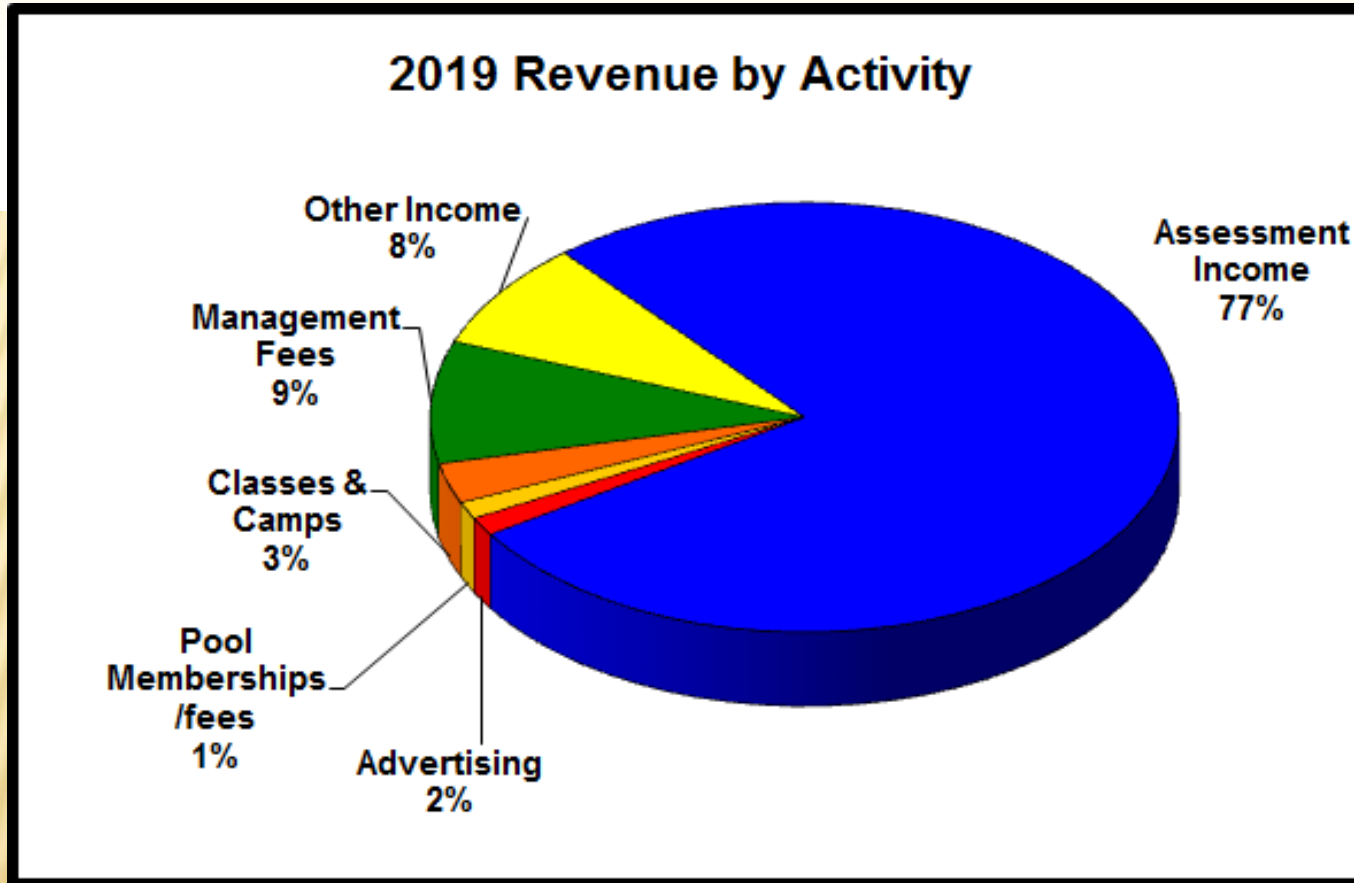
✘ Operating Costs:

- + Electricity costs are adjusted to keep inline with 2017 actuals
- + Program/Building supplies are increased to keep in line with actuals and the increase costs of pool supplies

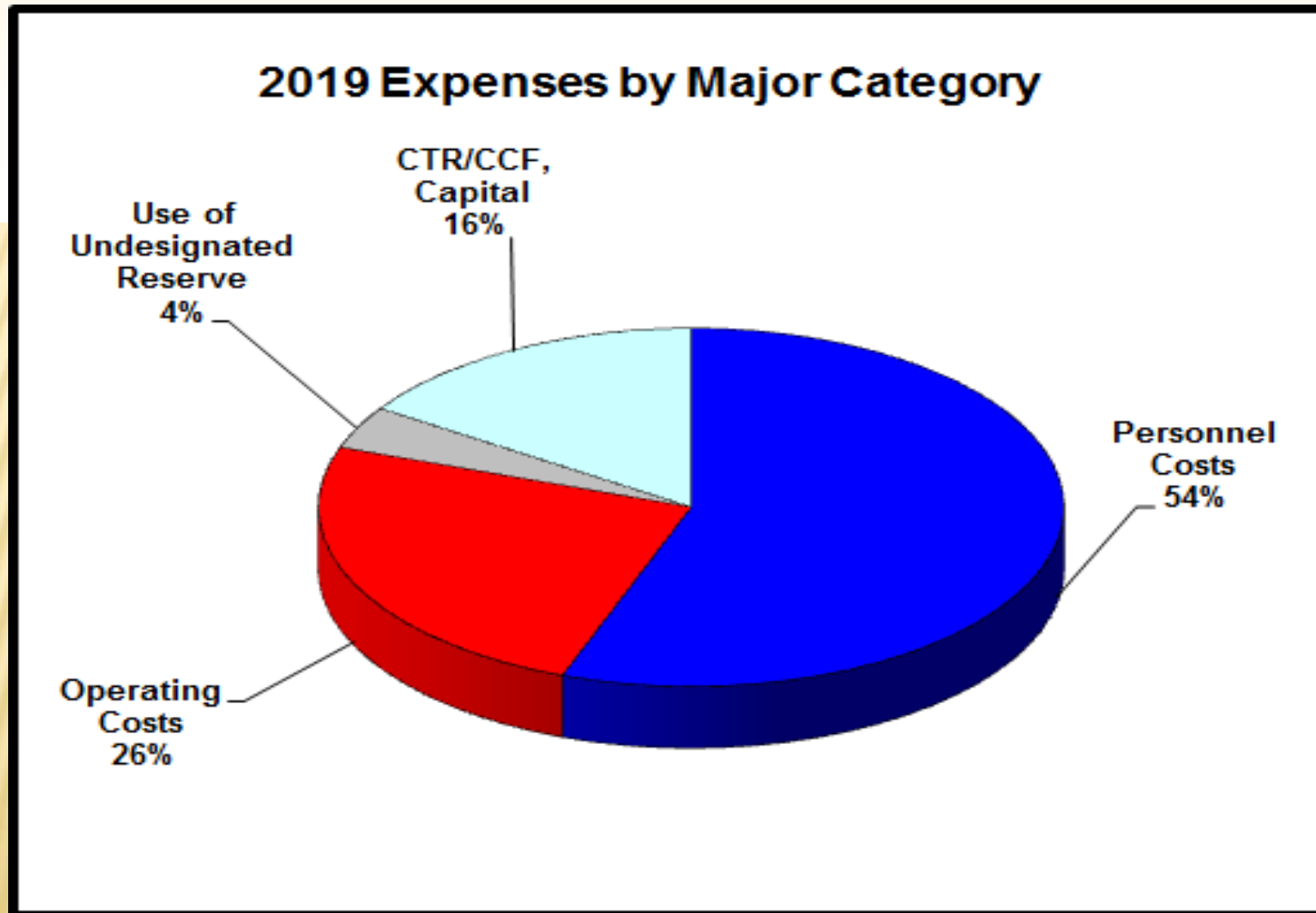
✘ Other income/expense:

- + Additional contribution to reserves
- + Reduction for asset purchases as no capital projects budgeted in 2019

BUDGET REVIEW SUMMARY - REVENUES



BUDGET REVIEW SUMMARY - EXPENSES



2019 BUDGET REVIEW – UNDESIGNATED RESERVES

Undesignated Reserves Summary

	<u>MVF</u>	<u>DU</u>	
Undesignated as of Jan 1, 2018	\$ 1,087,615	\$ 359,831	\$ 1,447,446
Projected use in 2018	(160,000)	-	(160,000)
Proposed use in 2019 (1)	(369,525)	-	(369,525)
Remaining Undesignated	\$ 558,090	\$ 359,831	\$ 917,921
	14.5%	9.3%	

(1) Projected use of undesignated reserves in 2019:

\$ 305,556	Minimize MVF assessment increase
63,969	Subsidy of User Fee programs

CAPITAL CONTRIBUTION FEE (CCF)

✦ Activity summary

+ Balance, Jun 30 2018	\$622,000
+ 2018 Budgeted revenue Jul-Dec	\$83,000
+ Projected projects (1)	<u>(\$342,000)</u>
+ Available for 2018	\$363,000
+ 2019 Projected income	\$150,000
+ Est. Bal. for 2019	\$513,000

✦ (1) Includes Apple Ridge playground, SVP field & Elect. Sign.

RESERVES

2019 Contributions:

MVF Fund	\$337,636
Designated Users Fund	\$973,982

* DU has addt'l North Creek pool funding \$100,000

Total **\$1,311,618**

Study Assumption Updates:

- + Reserve Study updated for recent changes
- + ROI of 2.50% and Inflation of 2.49%
- + Addt'l \$250k for North Creek Pool

RESERVES - EXPENDITURES

2019 Expenditures

	Necessary	Potential	Total
MVF Fund	\$291,423	\$251,023	\$542,446
Designated Users	\$373,194	\$203,077	\$576,271
Total	\$664,617	\$454,100	\$1,118,717

RESERVES - EXPENDITURES

2019 Major Replacements

× MVF:

+ Parks/MVF Facility \$351,545

× Includes replacement to Clubside Park play area and North Creek Lake Park play area.

+ Office equipment & technology \$190,901

× Includes Jenark replacement software (\$120k)

× DU:

+ Vehicles \$37,991

× Replacement vehicle for 11 year old pickup

+ Community Centers/Tennis Courts \$309,639

× Includes general repairs and maintenance/asphalt work

+ Pool replacements \$228,642

× Includes general repairs of pool lighting, caulking, dive boards, CAT controller probes, and misc. equipment

RESERVES – POOL REBUILD SCHEDULE

<u>Pool</u>	<u>Design</u>	<u>Rebuild</u>	<u>Cost (\$M)</u>
Whetstone	Complete	2014	\$2.0
Peggy Mark	Complete	2017	\$2.5
North Creek	2019	2020	\$3.0 - \$3.3
Stedwick	2023	2024	\$2.2 - \$2.5
Hurley Park	2026	2027	\$2.0 - \$2.3
Lake Marion	2030	2031	\$3.9 - \$4.2
Watkins Mill	2033	2034	\$2.6 - \$2.9

2019 5 YEAR ASSUMPTIONS

✘ Revenues:

- + Bloom (golf course) housing units completed between 2020 – 2024
 - ✘ Will pay both MVF + DU Assessments
- + Village Center housing units completed between 2021-2024
 - ✘ Townhouses pay both MVF + DU Assessments
 - ✘ Condos pay only MVF Assessments
 - ✘ Apartments pay half of MVF Assessments

✘ Personnel:

- + 3% increase across the board
- + 4% increase temp wages (w/ minimum wages)
- + Employee benefits +\$15 a paycheck

✘ Operating Costs:

- + 2-3% general increases in costs
- + 3-5% for technology contracts (Essbase, Dresner, Jenark/replacement software)
- + Brightview contract has been increased based on the amended 2018 contract for SVP field maintenance
 - ✘ Additional \$15k extra starts on 2021 to account for new Central Park area

✘ Other income/expense:

- + Additional Contribution to reserves & Capital Contribution Fees.

5 YEAR PLAN – MVF ASSESSMENT

Assessment Summary	2019PB	2020	2021	2022	2023
Assessment	\$ 21.03	\$ 21.58	\$ 22.81	\$ 24.10	\$ 25.35
Assessment increase needed	0.55	1.23	1.30	1.25	0.76
New Assessment	\$ 21.58	\$ 22.81	\$ 24.10	\$ 25.35	\$ 26.11
Assessment increase %	2.6%	5.7%	5.7%	5.2%	3.0%

MVF Assessment ceiling \$24.29

5 YEAR PLAN – DU ASSESSMENT

Assessment Summary	2019PB	2020	2021	2022	2023
Assessment	\$ 35.57	\$ 37.62	\$ 38.76	\$ 39.39	\$ 40.04
Assessment increase needed	2.05	1.14	0.63	0.66	0.64
New Assessment	\$ 37.62	\$ 38.76	\$ 39.39	\$ 40.04	\$ 40.69
Assessment increase %	5.8%	3.0%	1.6%	1.7%	1.6%

QUESTIONS ?

