



SUDDEN VALLEY

Town Hall
2024 Budget
Presentation

October 14, 2023



SUDDEN
VALLEY

The Budgeting Process

- SVCA's capital and operations budgets are prepared annually
- Anticipated revenues and expenses, as well as necessary repair and maintenance of assets are considered
- Input is solicited from SVCA Department Managers and a draft budget is prepared by the Finance Director, GM, and Treasurer
- The Board of Directors reviews and approves the budget, which is then voted on by the membership
- This process ensures the budget presented to the membership is a consolidated picture of operations

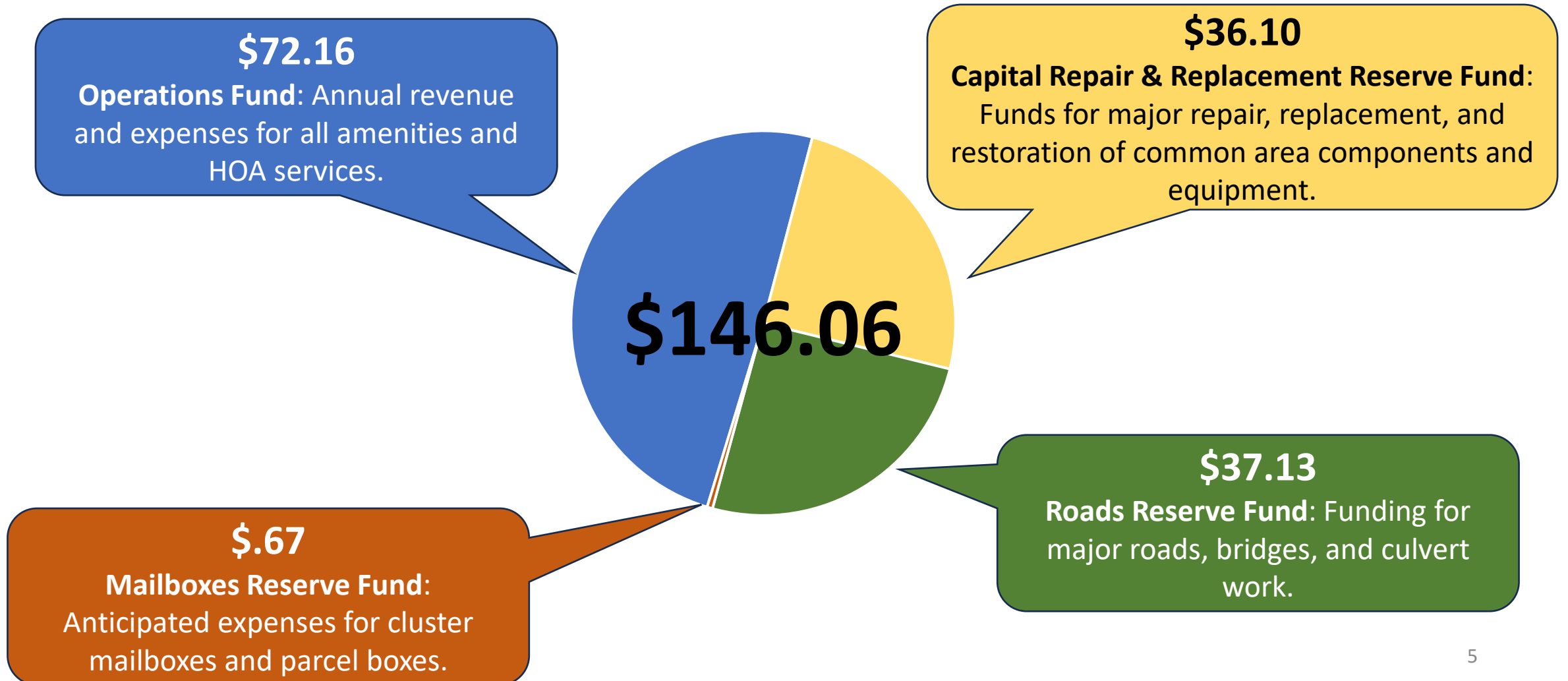


Sudden Valley's operating budget for 2024 balances \$4,287,474 in revenues with \$4,287,474 in expenditures.

The proposed monthly dues for a developed lot in 2024 will be \$146.06
The proposed monthly dues for an undeveloped lot in 2024 will be \$138.71

** There will be no additional user fees in 2024 for the Parks / Pools / Fitness Center.*

What is covered by the 2024 annual assessment?



2024 Dues Proposal

		January Through May**		June Through December		95% Collections*		As Compared to 2023 Monthly Dues Amount at December 31 Year End		
		2023		2023		2024		\$ Change	% Change	
DEVELOPED LOTS										
OPS		\$	58.28	\$	67.91	\$	72.16	\$	4.25	6.3%
OPS Rec Special Assessment**		\$	12.13	\$	-	\$	-	\$	-	0.0%
Ops Total		\$	70.41	\$	67.91	\$	72.16	\$	4.25	6.3%
CRRRF		\$	36.10	\$	36.10	\$	36.10	\$	-	0.0%
ROADS		\$	37.13	\$	37.13	\$	37.13	\$	-	0.0%
MAILBOX		\$	0.67	\$	0.67	\$	0.67	\$	-	0.0%
Capital Total		\$	73.90	\$	73.90	\$	73.90	\$	-	0.0%
MONTHLY TOTAL		\$	144.31	\$	141.81	\$	146.06	\$	4.25	3.0%
ANNUAL TOTAL			N/A	\$	1,714.22	\$	1,752.72			
Monthly \$ Change						\$	4.25			
Monthly % Change							3%			
								As Compared to 2023 Monthly Dues Amount at December 31 Year End		
UNDEVELOPED LOTS		January Through May**		June Through December		95% Collections*		\$ Change % Change		
		2023		2023		2024				
OPS		\$	52.24	\$	60.77	\$	64.81	\$	4.04	6.6%
OPS Rec Special Assessment**		\$	8.53	\$	-	\$	-	\$	-	0.0%
Ops Total		\$	60.77	\$	60.77	\$	64.81	\$	4.04	6.6%
CRRRF		\$	36.10	\$	36.10	\$	36.10	\$	-	0.0%
ROADS		\$	37.13	\$	37.13	\$	37.13	\$	-	0.0%
MAILBOX		\$	0.67	\$	0.67	\$	0.67	\$	-	0.0%
Capital Total		\$	73.90	\$	73.90	\$	73.90	\$	-	0.0%
MONTHLY TOTAL		\$	134.67	\$	134.67	\$	138.71	\$	4.04	3.0%
Annual Total			N/A	\$	1,616.04	\$	1,664.52			
Monthly \$ Change						\$	4.04			
Monthly % Change							3%			

Dues Projection- 2024 Operating Budget Assumptions & Capital Planning for 2024-2033													
Fund	Description of Change	January through May 2023	June through December 2023	Average Monthly Amount 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
OPS	2023 Assessment	\$ 58.28	\$ 67.91	\$ 63.90	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16
Recreation SA	2023*	12.13	-	5.05	-	-	-	-	-	-	-	-	-
Ops Assessment Total (Developed)		\$ 70.41	\$ 67.91	\$ 68.95	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16	\$ 72.16
CRRRF	2023 Assessment	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10
ROADS	2023 Assessment	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13
MAILBOX	2023 Assessment	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Capital Assessment Total		\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90	\$ 73.90
MONTHLY Projected Assessment Total		\$144.31	\$141.81	\$142.85	\$146.06	\$146.06	\$146.06	\$146.06	\$146.06	\$146.06	\$146.06	\$ 146.06	\$ 146.06
\$ Change from Previous Year's Monthly Dues Amount at December 31st					\$ 4.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% Change from Previous Year's Monthly Dues Amount at December 31st					3%	0%	0%	0%	0%	0%	0%	0%	0%

*The Recreation Special Assessment expired at the end of May 2023.

This positive projection includes allocations of funds for many critical infrastructure improvements that had previously been deferred and were assumed to require a special assessment.

Dues Projection- 2021 Budget Assumptions & Reserve Study from 2020-2029

Fund	Description of Change	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
OPS	2020 Assessment	\$ 59.30	\$ 58.97	\$ 58.97	\$ 58.97	\$ 58.97	\$ 58.97	\$ 58.97	\$ 58.97	\$ 58.97	\$ 58.97	
OPS	(2021 per budget assumptions, +3% 2022-2029)	-	-	1.77	3.59	5.47	7.40	9.39	11.44	13.56	15.73	
Recreation SA	(+3% 2020-2023)*	11.11	11.44	11.78	12.13	-	-	-	-	-	-	
Recreation	(+3% 2024-2029)	-	-	-	-	12.50	12.88	13.27	13.67	14.09	14.52	
Ops Assessment Total (Developed)		\$ 70.41	\$ 70.41	\$ 72.52	\$ 74.69	\$ 76.94	\$ 79.25	\$ 81.63	\$ 84.08	\$ 86.62	\$ 89.22	
CRRRF	2020 Assessment	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10	36.10	
CRRRF	Additional Assessment	-	-	1.28	16.85	8.42	(18.04)	(23.87)	(12.63)	1.88	28.07	
ROADS	2020 Assessment	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13	37.13	
ROADS	Additional Assessment	-	-	5.78	(5.92)	9.32	10.15	7.46	(6.10)	19.98	(17.23)	
MAILBOX	(Based on Fully Funded RS in 2019)	0.67	0.67	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	
Capital Assessment Total		\$ 73.90	\$ 73.90	\$ 81.39	\$ 85.26	\$ 92.07	\$ 66.44	\$ 57.92	\$ 55.60	\$ 96.19	\$ 85.17	
MONTHLY Projected Assessment Total		\$ 144.31	\$ 144.31	\$ 153.91	\$ 159.95	\$ 169.01	\$ 145.69	\$ 139.55	\$ 139.68	\$ 182.81	\$ 174.39	
	\$ Change		0.00	9.60	6.04	9.06	(23.32)	(6.14)	0.13	43.12	(8.41)	
	% Change		0%	7%	4%	6%	14%	4%	0%	31%	5%	
Additional Special Assessment												
CRRRF	Additional Special Assessment	-	-	-	-	-	-	-	-	-	368.64	See Notes
ROADS	Additional Special Assessment	-	-	-	-	-	-	-	-	-	83.01	See Notes
Total Additional Special Assessments		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 451.65	

- Notes
- (1) Barn 8 building replacement (asset# 1332) moved to year 2029 to accommodate long range planning considerations for this item.
 - (2) Clubhouse refurbishment (asset# 1333) moved to year 2029 to accommodate long range planning considerations for this item.
 - (3) Area Z maintenance building replacement (asset# 1334) moved to year 2029 to accommodate long range planning considerations for this item.
 - (4) Marina parking lot design (CIP Number R-16a) moved to year 2029 to accommodate long range planning considerations for this item.
 - (5) Marina parking lot construction (CIP Number R-16b) moved to year 2029 to accommodate long range planning considerations for this item.

The same table from 2020 shows that critical infrastructure maintenance was deferred to 2029 and planned to be paid for through special assessments.

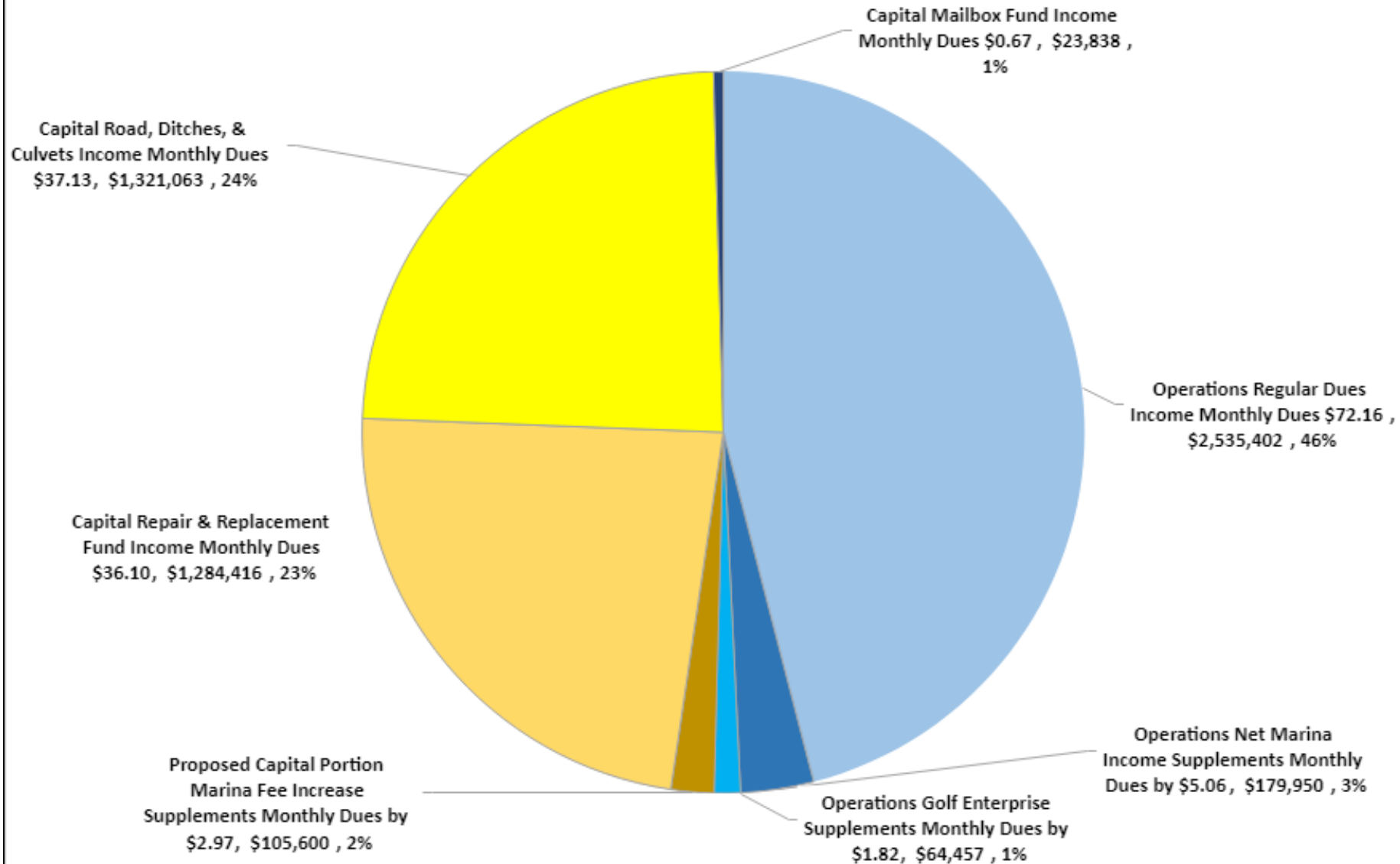
Summary of Operations Budget by Department

Department	2023 Budget	2024		% Change
		Proposed Budget	Increase / (Decrease)	
Common Costs: Property Taxes, Views, & Legal	(303,905)	(326,415)	22,510	7.4%
Operations	(595,461)	(580,197)	(15,264)	-2.6%
Accounting	(373,980)	(397,665)	23,685	6.3%
Facilities	(148,760)	(181,851)	33,091	22.2%
Maintenance*	(441,183)	(553,322)	112,139	25.4%
Security & ACC	(328,715)	(394,162)	65,447	19.9%
Recreation Community Center	(209,909)	(248,435)	38,526	18.4%
Parks*	(84,462)	-	(84,462)	-100.0%
Pools	(79,534)	(97,762)	18,228	22.9%
Subtotal Net Expense	(2,565,909)	(2,779,809)	213,900	8.3%
Operations Regular Dues Income	2,241,648	2,535,402	293,754	13.1%
Operations Rec Special Assessment Income**	172,371	-	(172,371)	-100.0%
Golf Enterprise	7,551	64,457	56,906	> 100%
Operations Net Marina Income	144,339	179,950	35,611	24.7%
Subtotal Net Income	2,565,909	2,779,809	213,900	8.3%
Grand Total Budget	-	-	-	

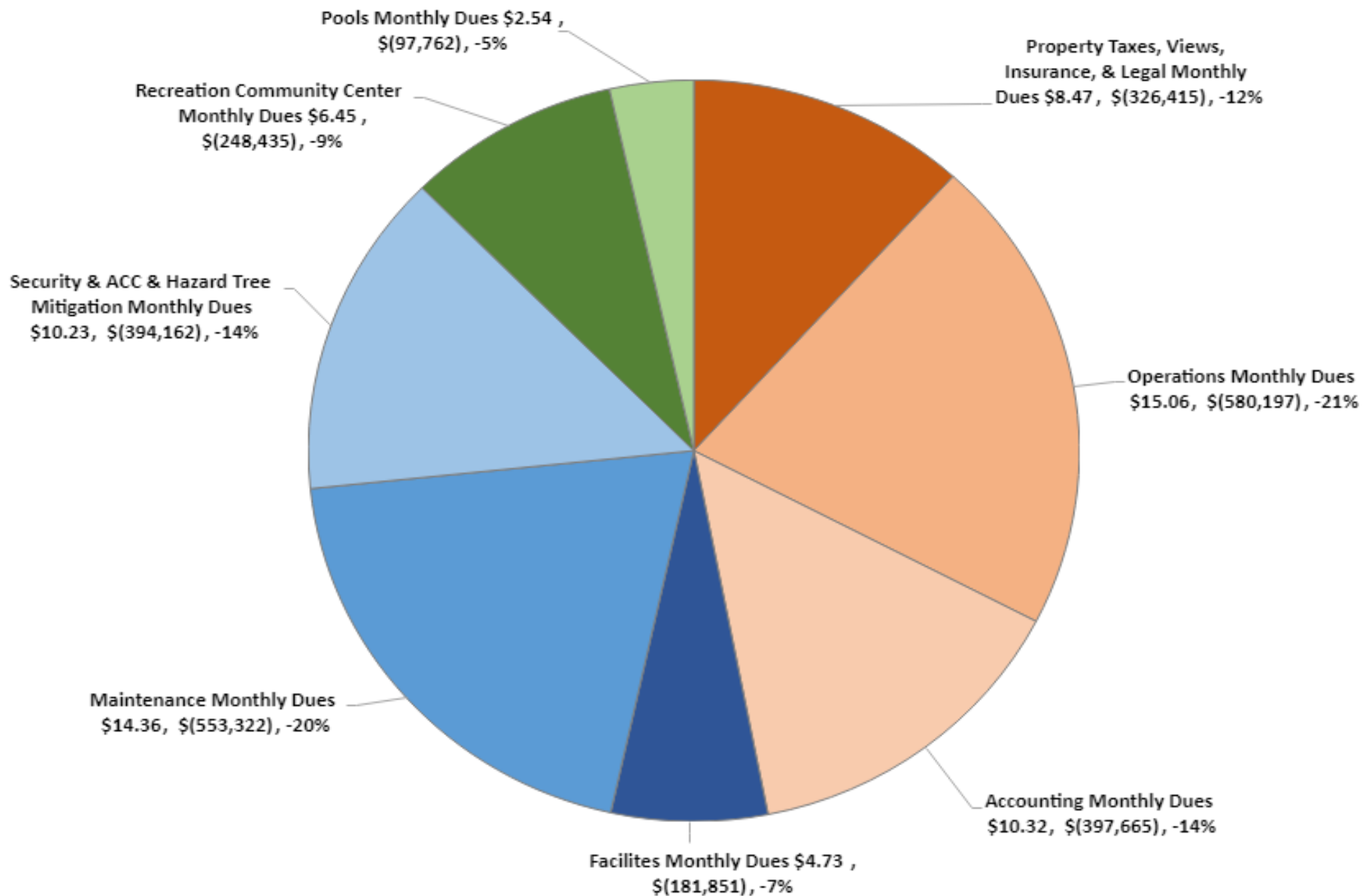
*Beginning with the 2024 budget year, Parks expenditures are accounted for in the Maintenance Department.

**The Recreation Special Assessment expired at the end of May 2023.

2024 DRAFT NET INCOME SOURCES
BASED ON 95% COLLECTIONS - 2739 DEVELOPED LOTS & 382 VACANT LOTS



2024 DRAFT BUDGET- WHAT YOUR OPERATIONS DUES PAY FOR



Marina Net Income & Capital Expenditures (2014 to 2023)

Year	Net Income	Capital Expenditures Closed Out to Fixed Assets	Wet Slip Docks Related
2014	\$ 93,818	\$ -	\$ -
2015	102,162	142,955	-
2016	101,473	4,999	4,999
2017	65,574	-	-
2018	98,441	-	-
2019	99,824	801,313	801,313
2020	82,179	-	-
2021	66,059	33,510	-
2022	123,779	-	-
Total	\$ 833,309	\$ 982,777	\$ 806,312
YTD AUG 2023	179,792	309,008 *	12,188
Grand Total	\$ 1,013,101	\$ 1,291,785	\$ 818,500

63% of total Marina capital expenditures closed out to fixed assets relates only to the Wet Slip Docks.

*2023 capital expenditures listed of \$309,008 relateds to current budgeted amounts.

Net Income is derived by subtracting operating expense from the total operating income.

This table compares the Marina's Net Income to the Capital Expenses related to the Marina between 2014 and year-to-date 2023.

As can be seen, the Net Income is less than the amount spent on capital improvements during the same time period.

Linking Budget and Strategy

Successful long-term organizational sustainability requires planning and the incorporation of both strategic and long-term planning processes, to identify vital and measurable goals. SVCA's mission, vision, and strategic priorities act as the guiding principles for Association decisions and actions taken by both the Board and staff.





2024 Operational Budget Background

- The proposed 2024 Operational Budget accounts for expected additional payroll expense, as well as increases in property/casualty insurance, fuel, utilities, and the prioritization of the maintenance of infrastructure and facilities that has been neglected.
- The 5-year Recreation Special Assessment – which included recreation, pools, and parks – expired in May 2023. Beginning in the budget year 2024, all parks-related expenditures will be accounted for within the Maintenance Department budget. This budgeting change was made at the request of the Maintenance Superintendent.
- After careful review of the 10-year Capital Plan, the proposed 3% monthly dues increase in 2024 will be allocated to the Operations Budget.

A blue ballpoint pen with a silver-colored tip and barrel is positioned diagonally across the upper left portion of the image. The pen is resting on a document that features a bar chart with several blue bars of varying heights. The background is a light blue color with a subtle grid pattern. The text 'Capital Projects and Proposed Budget' is overlaid in the center of the image in a white, sans-serif font.

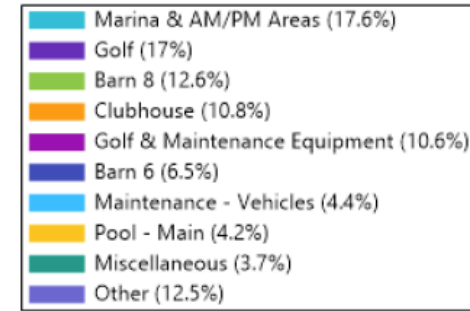
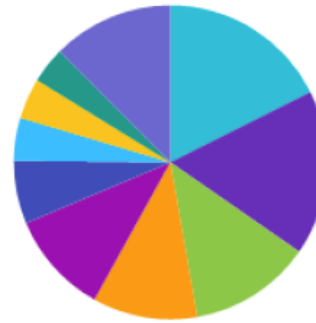
Capital Projects and Proposed Budget

Review of 2023 CRRRF Capital Projects

Project Name	Cost	Status
Area Z Maintenance Facility Remodel	\$ 483,399	Contracted, work not begun
Area Z Tall Barn Refurbishment	\$ 59,475	Work in progress
Barn 8 Remodel*	\$ 800,000	Permitted, not contracted
Tennis Court Resurfacing & Fencing*	\$ 189,500	Permitted, not contracted
2023 Playground ADA Improvements	\$ 107,867	Work in in progress
Irrigation System Pump Controller	\$ 44,981	Complete
Austin Creek Repair	\$ 32,571	Permitted, not contracted
Marina Launch Dock Replacement	\$ 169,820	Contracted, work not begun
Marina Wet Slips Replacement - Preliminary Design & Engineer's Estimate	\$ 12,188	Completed
	\$ 1,899,801	

*Final costs not yet determined

Current Replacement Cost: \$16,225,840.00



From the 2024 CRRRF Reserve Study:

Based on the most recent reserve study and other information available to the board of directors, the currently projected reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years.

	UL	RUL	Current Replacement Cost
Adult Center Building	7-50	0-19	\$210,158
Area Z	10-20	1-19	\$137,774
Barn 6	40-40	2-2	\$1,054,408
Barn 8	10-40	3-39	\$2,038,938
Bus Shelters	8-25	0-24	\$56,680
Clubhouse	5-50	0-48	\$1,748,020
Core Area	10-30	0-29	\$226,642
Golf	5-43	0-38	\$2,766,431
Golf & Maintenance Equipment	5-30	0-23	\$1,724,287
Maintenance - Building	3-20	0-19	\$363,123
Maintenance - Vehicles	5-15	0-7	\$706,160
Marina & AM/PM Areas	5-50	2-22	\$2,861,914
Miscellaneous	1-30	0-14	\$593,302
Park Areas	10-20	1-19	\$288,844
Pool - Main	10-30	4-25	\$682,614
Pool - Quiet	10-30	0-25	\$264,482
Security Building & Equipment	7-25	0-6	\$245,736
Turf	7-50	0-11	\$256,327
Totals			\$16,225,840

Review of 2023 Roads Capital Projects

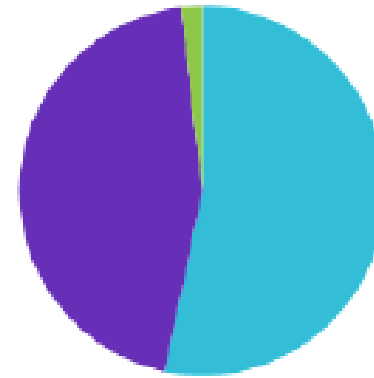
Project Name	Cost	Status
Culvert C-315	\$ 481,615	Complete
2023 Pothole & Other Road Repairs	\$ 35,000	Complete
2023 Pavement Markings	\$ 31,803	Complete
2023 Street Asphalt Repairs	\$ 295,735	Complete
Culvert Cleaning	\$ 452,117	Complete
Ten-Year Roads & Drainage Improvement Plan	\$ 132,350	Final report due in October
2023 On-Call Engineering	\$ 40,000	In Progress
2023 Street Sign Replacement	\$ 31,084	In Progress
Cold Spring Drainage Repair	\$ 35,596	Permit submitted
	\$ 1,535,300	

*Final costs not yet determined

From the 2024 Roads Reserve Study:

Based on the most recent reserve study and other information available to the board of directors, the currently projected reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years.

Current Replacement Cost: \$9,918,012.00



Stormwater & Drainage Improv., (53.3%)
Asphalt - Road & Parking Surfa. (44.8%)
Asphalt - Engineering & Planni. (1.9%)

	UL	RUL	Current Replacement Cost
Asphalt - Engineering & Planning	1-5	0-4	\$186,004
Asphalt - Road & Parking Surfaces	1-12	0-11	\$4,441,408
Stormwater & Drainage Improvements	1-30	0-29	\$5,290,600
	Totals		\$9,918,012

Advisory Vote – Ice Barn

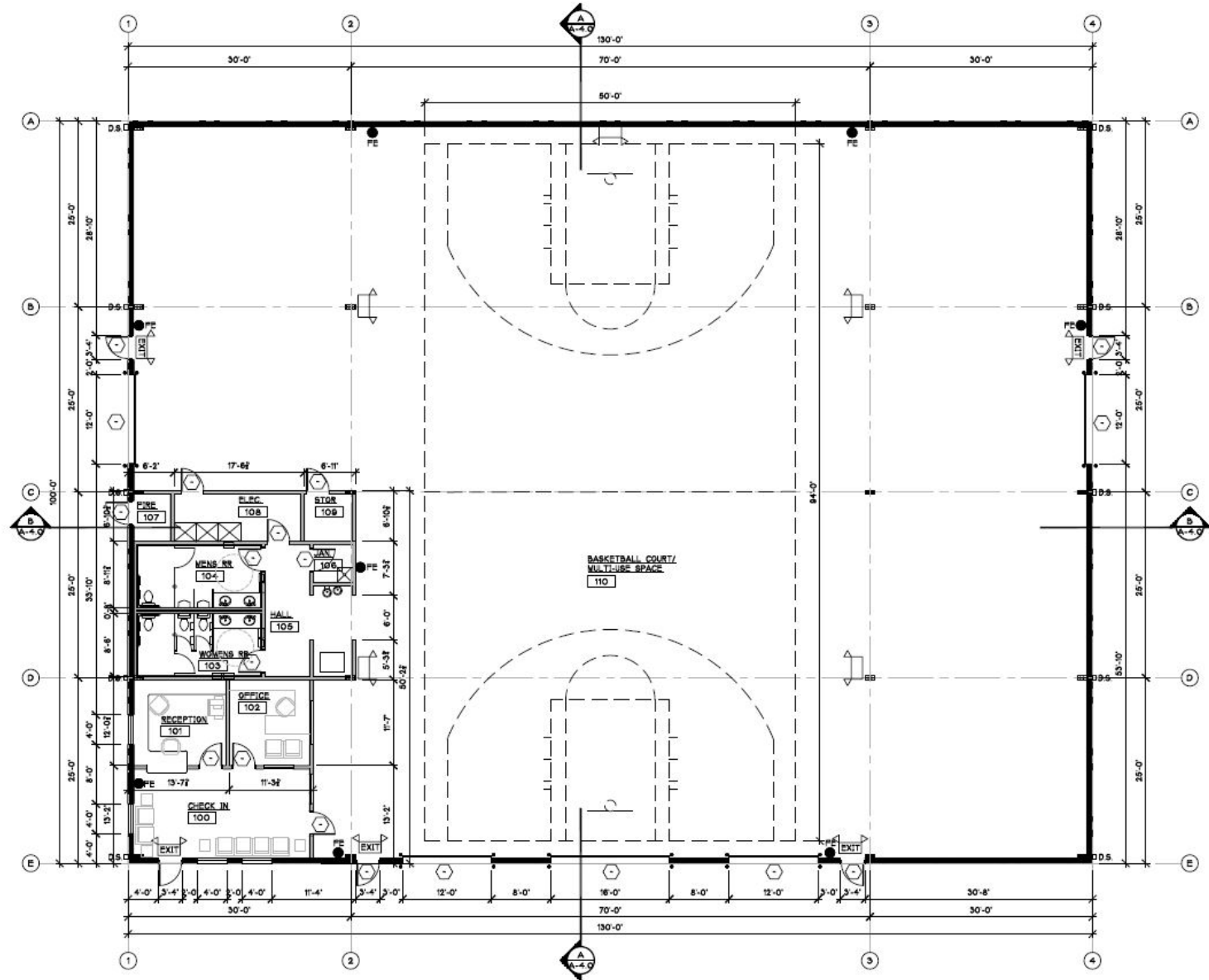
Which of the following options do you prefer for the replacement of Barn 6, also known as the Ice Barn?

1. Remove the existing structure and replace with an open-air pavilion; this option requires no special assessment for funding. The 2024 Capital Budget was prepared using this option.
2. Remove the existing structure and replace it with an enclosed structure; this option would require a special assessment of approximately \$11 per month for 6 years on all members.
3. Remove the existing structure and do not replace; this option requires no special assessment for funding.

Ice Barn – Current Condition



Ice Barn – Conceptual Barn 6 Layout – Concept #1

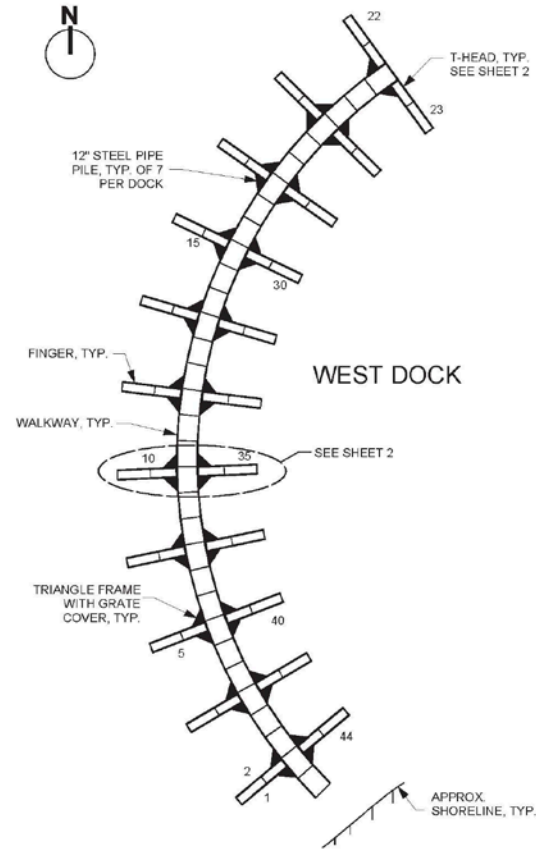


Advisory Vote – Marina Docks

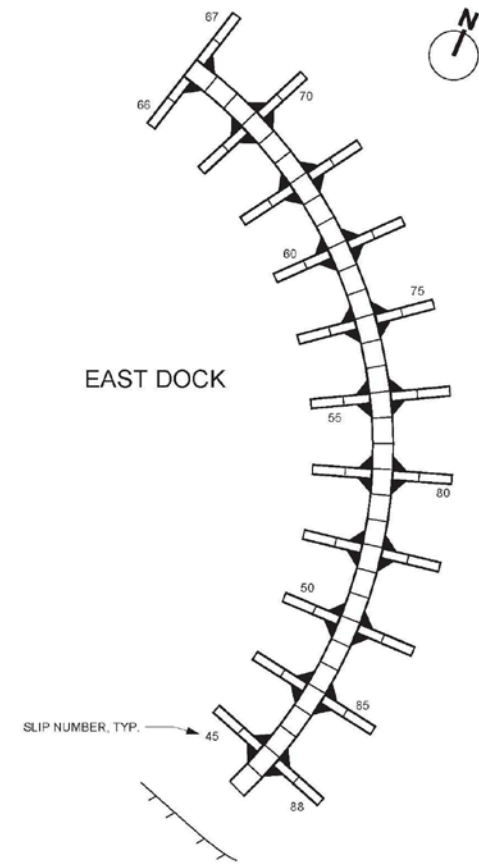
The replacement of the Marina Wet Slip Docks is estimated to cost approximately \$1.9M; which of the following options do you prefer for the funding of the Marina Wet Slip Docks replacement when they have reached the end of their useful life?

1. Beginning in 2024, increase annual wet slip use fees an additional \$1,200 to provide about one-third of the funding required to replace the marina Wet Slip Docks; this option requires no special assessment for funding. The 2024 Capital Budget was prepared using this option.
2. Place a 6-year Special Assessment of approximately \$9 per month on all members to fund the replacement of the Marina Wet Slip Docks.
3. Do not replace the Marina Wet Slip Docks at the end of their useful life.

Marina Docks Existing Layout



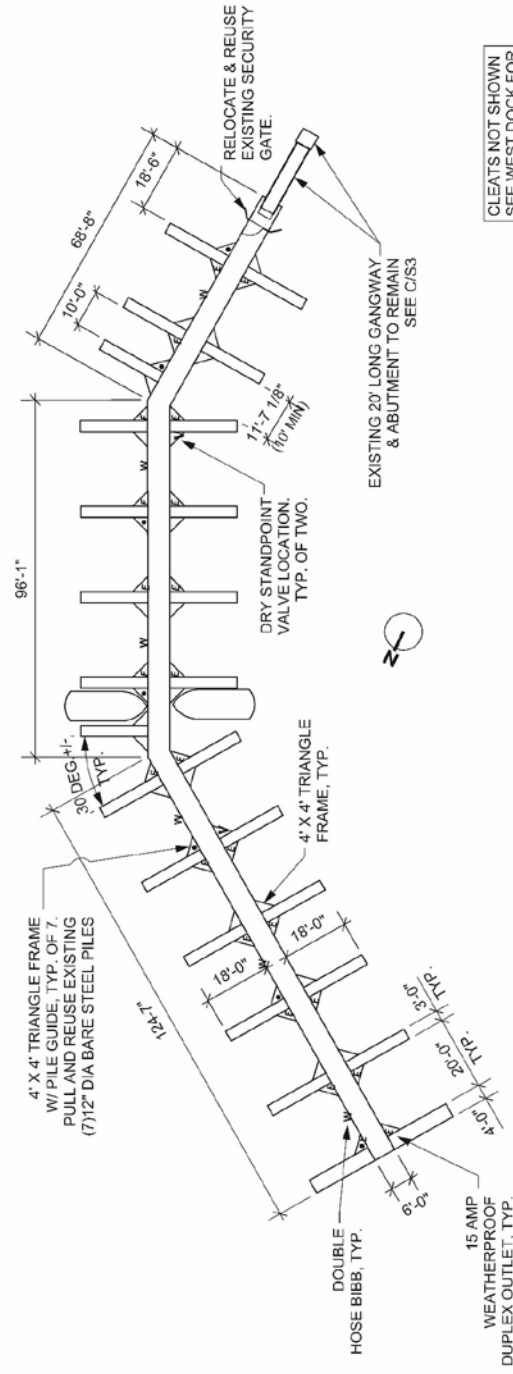
A Plan - West Dock (Approx.)
Scale: 1" = 30 ft



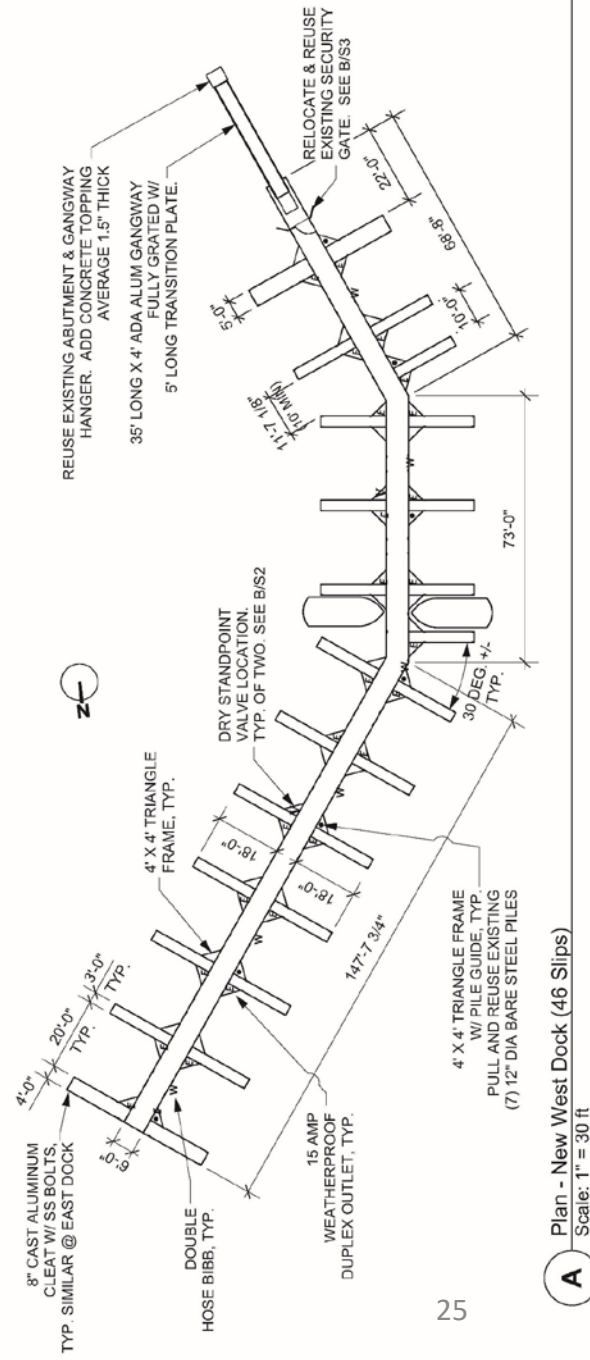
B Plan - East Dock (Approx.)
Scale: 1" = 30 ft

NOTE:
CURVATURE OF BOTH
DOCKS IS APPROXIMATE.
ACCESS GANGWAYS AND
GATES NOT SHOWN.

Marina Docks – Preliminary Design for Estimation



A Plan - New East Dock (46 Slips)
Scale: 1" = 30 ft



A Plan - New West Dock (46 Slips)
Scale: 1" = 30 ft



SUDDEN VALLEY

This presentation is available at [SuddenValley.com](https://www.SuddenValley.com) on the 2023 AGM page.

Additional budget information is also available on the site.