# Lake Linganore Association, Inc.

## FY19 Proposed Budget - Resident Q & A and Submitted Comments

Q: The IT budget it pretty high (~100K) for an association this size is very large. Where exactly is that money going and how can we help reduce it. I am in IT sales and have been in IT for 20 years, I'd like to understand how we are leveraging technology and how we can reduce this.
A: Those funds are used for: accounting software and support, IT maintenance/support with monthly on site visits and 24 hr. support, hardware purchases, security software, data backup software with local and offsite storage, member photo Id software maintenance & support, work order/job management software, one time cost to convert the member portal for mobile devices, member portal design improvements with custom features for members to submit maintenance requests, annual data usage fees for the member portal, barcode scanning hardware/software maintenance and support, software for email marketing, online calendars

Q: Why is the pool budget jumping to its highest rate ever? All pools closed 15 minutes before actual closing last year, why are we paying more this year?
A: Increase is due to several factors: A) Pool will be open one additional week between Memorial Day and Labor Day in conjunction with Frederick County Public Schools start date for Fall 2018. B) Minimum wage is increasing; thus labor costs increase. C) Pool houses will have a deep cleaning before opening and biweekly cleanings by a cleaning service.

Q: Why is the trash budget going up again and by such a large amount? Is it the projected new homes or another reason?
A: The increase is due to increased homes and an increase in the per unit (home) cost by our current vendor. However, this contract is going out for bid in hope of reducing the cost.

Comment: The budget looks great. Thank you LLA staff for doing such an excellent job.

Comment: Thank you for sharing the budget. I was hoping to see a budget line item for the purchasing and maintenance of the area that was formerly the golf course part of Westwinds. The owner has kept the course in dilapidated conditions, and Westwinds home values are already taking a bit hit and there are concerns about rodent problems and more. Please help Westwinds maintain its quality of living. Perhaps the land could be used for new LLA amenities, like a community cafe or rental space, which could also bring in funds, or more trails, playgrounds, sports fields, etc.

Q: Regarding the proposed Association Fees for 2018 we would like to know why Aspen North Improved Lots have a lower fee than Aspen?
Aspen North average Maryland tax assessed value is less than that of Aspen. The Declaration stipulates dues for LLA be based on the average Maryland tax assessed value of the improved properties in a village. The assessed value is obtained from MD Land Records to produce an average assessed value per village. Once the expenditures are set, the average assessed value is multiplied by a rate per $100 of average assessed value to obtain enough income to pay for expenditures. The Declaration stipulates that multiplier is $.75 per $100 of the State Assessed Value. However, the Board, Finance Committee, and Staff work diligently to reduce that multiplier.

Q: I have lived here for just over a year and have yet to be able to visit the Lake, of which our community is named after. The Recreation Master Plan posted seems to be from 2013 so my apologies if I overlooked a newer version; is there an effort to make the beaches more accessible to patrons not in walking distance or without a golf cart?
A: The FY19 proposed budget includes funds for a shuttle service from the Coldstream parking lot to the beaches, and trail improvements. Future possibilities include additional boat storage to increase blue ways. The hope is it will allow Members to store their boats within walking distance of their home and subsequently, utilize their boat to access the beaches. Another future possibility is expansion of beach areas.

Q: Also, what has been the benefit to the Safety Patrol? Is there a report associated to their actions while on duty? I've never seen them exit the vehicle?
A: Amenity patrol is for the added safety of LLA residents while enjoying the amenities. They patrol the beaches and other amenity areas for unwanted and illegal activity. They also enforce our Covenants which law enforcement officers are not able to do on LLA property. This ensures LLA is open only to members in good standing and their guests. They do produce a daily activity report showing any incidents that take place and the outcome.

Q: This year the Board used their executive privilege to change the vacant lot dues back to a flat rate. Why won???t they use that same privilege to smooth some of the outrageous disparities among villages? Nightingale???s tax/dues have increased over $500 and nearly 25% since FY16. They are the highest at $2,561.99 while Audubon Condos are billed the lowest at $615.49. Other than trash, their fees cover the identical services. When will the Board address this disparity by at least setting caps until we can move to a traditional flat dues structure and abandon this tax that is only done by one other HOA in Maryland?
A: The assessments are calculated based on State assessed property tax value. Homes in Nightingale are valued at substantially higher rates. Comparing them to the condo Assessment is comparing apples to oranges. While the condos only pay $615.49 to LLA, those owners also pay over $200 a month in additional assessments toward the maintenance costs associated with the condominiums and surrounding common areas. So, in reality, they pay over $3200 a year which is, by far, the highest assessment. The Board has asked the Covenants Committee to focus on a revision to the covenants that will gradually move toward an expense based assessment.

Q: Why such a wide difference in what each village pays? We all have access to the same amenities and it is not fair that some pay more than others.
A: LLA covenants stipulate assessments are based on the average tax assessed values. The assessed value is obtained from MD Land Records to produce an average assessed value per village. Once the expenditures are set, the average assessed value is multiplied by a rate per $100 of average assessed value to obtain enough income to pay for expenditures. The Declaration stipulates that multiplier is $.75 per $100 of the State Assessed Value. However, the Board, Finance Committee, and Staff work diligently to reduce that multiplier. This year is the lowest in three years: $0.402515 per $100 of assess value.

Comment: I see a lot of cushion in budget. Every year the board comes up with an excuse to increase our assessments. Every year I see my rates going up, never down. Please look at ways to at least keep rates same as last year. With increase in volume of homes built in Lake Linganore, the added assessments should give homeowners a break this year.

Q: My husband and I are residents of Aspen and bought the unbuildable lot immediately adjacent to ours. We want to keep the trees and trail behind our house. For FY19 our proposed assessment is $2087.32 and our vacant lot assessment is $373. Since we already pay an Aspen assessment, what do we get for the $373? That amount significantly exceeds what we pay in taxes. We do not believe that many LLA home owners are in this situation so a reduction or elimination of this second assessment would not have a significant impact on the LLA budget.
Thank you for answering our question.
A: The Declaration dictates all lots will be assessed; it does not account for multiple lots owned by the same individual(s). Over the years, the Board has worked to reduce the burden on lots considered to be unbuildable due to lack of direct road and utilities access. The fee increases or decreases in accordance with the overall increase/decrease of improved lot assessments. However, the Board does not have the authority to waive assessments for those who own more than one lot.

Comment: Good Afternoon. Many would like to see a plan developed to help normalize assessment rates for each village. All should share equally and have equal stake in Lake Linganore.

Comment: The annual assessment Dues should be divided equally by the number of properties and not by the tax value of the property. It doesn't matter the size of the home we all get to use the amenities equally. This would stop current and all future discussions as to what is fair. This would allow you to just focus on the budget at hand. West Wind residents are being treated unfairly with LLA not doing very much with the golf course other than discussions with the golf owner to TRY and enforce the covenants. This is something that affects many. We will not benefit at all from the dredging of the lake, but we have to pay for this. Times are evolving and many homeowners are not going to sit back and deal with the waiting game this year to see if the golf course owner will mow 3x this year. If you can call it that. I think it would be in the best interest of all to be proactive then reactive and divide the assessments up equally.

Q: We own two adjacent lots in Aspen next to our main property. One of these lots is buildable. This past year we were assessed 1/2 of our main property HOA fees because the lot is next to our main lot. According to the proposed HOA fees this would drop to $500. I just want to be sure this is accurate. I strongly feel we are being gouged as multiple property owners here in Linganore. We are seriously considering moving out of Linganore as the current HOA fees are hardly justified. The fact that HOA fees for my vacant lots are nearly 200% of my property tax rate is absurd. I have sought legal counsel on this matter as I believe this is highly unethical and a deterrent for us to remain here. I know I am not the only multiple property owner with this view. I also recall when these changes were voted in last year and your signage plastered all around Linganore was swaying owners to vote in the hike on multiple property owners. Again highly unethical and probably illegal. Expect lawyers.
A: If the budget is passed as presented, the dues for a buildable vacant lot will be $500. However, your property was not assessed because it is next to your main lot. It is assessed because it is a buildable vacant lot within LLA and subject to the Covenants and Bylaws as any other property.

Q: Whatever happened to the concept of trying to equalize the assessments, a little more, among the different subdivisions? Our home isn't worth any more in WW than our daughter's home is in Pinehurst. Instead, our assessment is increasing, once again, as it has in each of the six years we've owned a home in LL. Not everyone who lives in LL has increases in their disposable income every year. There are no LL amenities within miles of our property. Because of the these factors, resale on our homes becomes much more difficult for the very people who are paying considerably more for their assessments. This has become a very poor investment for residents of West Winds. Consideration needs to address more equitable terms when deciding on assessments. How will this comment/question be addressed since we will be unable to attend the budget meeting on Jan 4? Thank you.
A: LLA covenants stipulate assessments are based on the average tax assessed values. The assessed value is obtained from MD Land Records to produce an average assessed value per village. Once the expenditures are set, the average assessed value is multiplied by a rate per $100 of average assessed value to obtain enough income to pay for expenditures. The Covenants Committee is currently exploring avenues and ideas to change the Covenants to incorporate a uniformly charged expense based assessment. However, the Covenants also dictate two thirds of the community must vote for such change.

Comment: I strongly feel that we should revert back to the original assessment schedule for annual dues. The new scheme was never put to a vote of the members. An amount equal to seventy-five cents ($.75) for each one hundred dollars ($100) of the assessed value by the County Assessor's Office. Let everybody pay their fair share and not burden those who's properties are not assessed as high.
A: The change was passed by a vote of the Membership in order to reduce burden when the State began assessing homes at full value. Your home is currently valued at $391,500. If your assessment was strictly $.75 for every $100 assessed, your annual dues would be $2,936.25 vs. the proposed $2,087.32

Q: Is a yearly raise in HOA fees the new norm? What expenses can be cut to reduce or eliminate the yearly increase in HOA?

A: LLA covenants stipulate assessments are based on $.75 per $100 of the Maryland tax assessed values. The assessed value is obtained from MD Land Records to produce an average assessed value per village. Once the expenditures are set, the average assessed value is multiplied by a rate per $100 of average assessed value to obtain enough income to pay for expenditures. The Finance Committee, Board of Directors and staff make every effort to minimize the burden.

Q: With the amount of building, will better amenities be added to offset the number of new residents?

A: The BOD and the Planning Committee are continuously looking at new amenities or possible upgrades to existing amenities which is often the result of input or requests from Village Chair persons. In addition, the Developer is also responsible for some additional amenities as new villages are added. For example, Town Center near Oakdale High School is slated to have a clubhouse, pool, tot lots, and multipurpose courts.

Q: How can the HOA fees be more even if we are truly one association?

A: LLA covenants stipulate assessments are based on the average tax assessed values. The assessed value is obtained from MD Land Records to produce an average assessed value per village. Once the expenditures are set, the average assessed value is multiplied by a rate per $100 of average assessed value to obtain enough income to pay for expenditures. The Covenants Committee is currently exploring avenues and ideas to change the Covenants to incorporate a uniformly charged expense based assessment. However, the Covenants also dictate two thirds of the community must vote for such change.

Q: When can we the residents expect to see zero increases to the HOA fees, I and my family have lived here for 4 years, and every year there is an HOA fee increase without question.

A: The Committees, Board and staff make every effort to keep operation costs as low as possible. Contracts are regularly sent out for bid, and in-house vs. contracted cost analysis is done routinely. However, increases in labor & material costs, utilities, and taxes are outside of our control.

Q: Last, with the amount of people who now live in the Woodridge and Aspen villages, when will the BOD demand that the county rebuild the bridge below the dam?

A: The Developer has the responsibility to rebuild the bridge connecting the two sides of Eaglehead Drive. Our understanding is that should begin in the near future.

Q: Why are the various villages assessed differently? There is no difference in the services we receive.

A: The Declaration stipulates dues for LLA be based on the average Maryland tax assessed value of the improved properties in a village. The assessed value is obtained from MD Land Records to produce an average assessed value per village. Once the expenditures are set, the average assessed value is multiplied by a rate per $100 of average assessed value to obtain enough income to pay for expenditures. The Declaration stipulates that multiplier is $.75 per $100 of the State Assessed Value. However, the Board, Finance Committee, and Staff work diligently to reduce that multiplier.

Q: Hi, Are the proposed FY19 dues assessments inclusive of trash/pools fees? (i.e. for Balmoral, is the proposed $1517.60 the total cost or just the assessment fee and will then have trash/pool fees added on top (as I see from the previous years' totals). Thanks for your clarification!
A: Yes, the proposed assessment for Balmoral, $1,517.60 is inclusive of trash and pool fees.

Q: 48 residents in Balmoral petitioned the board last summer to look at solutions that address the serious safety issues both on the approach to Balmoral village and all along Eaglehead Drive. Numerous other villages have also approached the board about traffic and pedestrian safety issues. What financial resources are being allocated in the budget to evaluate solutions that address the serious traffic and pedestrian safety issues in Balmoral and other villages?
A: The FY19 budget includes funds to be used for traffic calming solutions, new roadway signs, maintenance to roads, and consulting fees to determine what, if any solutions are feasible.

Comment: Dear LLA, In regards to the proposed budget, I would like to voice concern over the projected expenditures: such as dredging for the Lake, the salaries, etc., and the continuing, escalating high dues. I believe that all households should share the same dues as we receive the same services. Furthermore, I believe that with continuing homes being built at a fast and furious pace, that dues should be decreasing, not increasing. I hope that the board will determine a way to be more equitable in regards to all neighborhoods. As a West Winds home owner, my perspective is that we have very few amenities in comparison to other communities. Our golf course is dead; our property values are decreasing, and our pool is the smallest in the community. Additionally, our streets are county owned and thus do not require additional funds to maintain. I firmly believe the budget needs to be carefully examined to see where costs can be cut or trimmed.

Comment: In 12/28 Hometown Observer local newspaper, an article mentioned a new clubhouse and pool is to be voted on by Frederick County Planning Commission to be located in the site for the Linganore Town Center. With the new construction occurring between Rt. 144 and Gas House Pike, this means many more units to help fund to our homeowners association fees. In the long run, I would like to see our fees decrease d/t the growth in our community. Also, I do not like seeing disproportionate use of funds and older communities not benefiting from the dues. Westwinds needs to have the golf course issue addressed , either we need to take over the property and develop into a proper golf course, or it should be considered to make a green space for our neighborhood with maintained lawn.
What current owner deems in cutting grass is an abomination! 2-3 ft. tall cut grass lying there like hay. I am also in agreement with others who have discussed do we look for alternatives to cut costs.

Q: Annual payroll service is $14,000. I believe if we sent for a bid, we can cut the price by at least 30%-50%.
A: The line for payroll service is inclusive of not only the preparation of payroll but tax reporting, cost to handle and maintain IRA accounts. If it were done in-house, LLA would need to purchase, maintain and pay for support for payroll software. LLA cannot assume liability for the handling or IRA funds.

Q: Do we have 8 full-time positions for managing HOA affairs? Is it necessary? Why do we still need temporary workers on top of 8 full-time stuff?
A: There are currently 13 full time staff members including the maintenance crew. We do employ temporary staff during the summer to assist the maintenance crew due to increased usage of amenities, this allow us to provide for the needs of the community during the summer without hiring full time employees.

Q: Annual audit and the tax preparation fee seem to be a bit high. Maybe we should reconsider our CPA firm and renegotiate the fees?
A: We are currently in the process of obtaining quotes to perform the annual audit.

Q: What's line 79 expenses( advertising and new hire) for?
A: This line item is in the budget in the event we need to advertise for any position that should become vacant during the year.

Q: What does stuff clothing mean? Do HOA provide clothes for them?
A: These funds are used to purchase OSHA required reflective clothing for maintenance staff.

Q: What is the municipal incorporated studies for?
A: This line item is to be utilized at the discretion of the Municipal Incorporation Committee. This is the group who are looking into the possibilities, pros and cons of becoming a Municipality within Frederick County.

Q: Is a beach shuttle service necessary?
A: This service is being added this year due to increased complaints from the community that access to the beaches is extremely limited due to parking facilities. It will be reevaluated at the end of the season once usage numbers have been obtained.

Q: Do we really need community magazine such as Laketalk?
A: LLA Bylaws Article VII Section 6 dictates LLA must publish and mail a newsletter. The cost of the production of LakeTalk is actually less than it was when LLA published a black and white paper newsletter in house.

Q: Insurance expenses. Do we get several quotes before we make our decisions?
A: Yes, policies are periodically sent out for bid.

Q: Please identify what is included in the following line items:
118 - Maintenance supplies
A: This account is for consumable items the Maintenance crew needs to complete maintenance tickets. It ranges from doggie bags and waste can liners to lumber, topsoil and Coldpatch for road repairs.
125 - Common area repairs
A: This line item is for repairs such as light fixtures or electrical work, painting, repairs to boat racks, trash corrals, and other items in common areas.
128- Signage
A: This line item is for the cost to replace and add new roadway signs throughout the community and includes signs, posts and hardware. This line was increased by $10,000 this year due to new updated Amenity signs throughout the community.
132 - West Winds Entrance Maintenance
A: This line item includes all costs associated with the maintenance of the entrance of Westwinds including the new sprinkler system & is reimbursed per the agreement with the Golf course and Tennis Club.
134- Grounds Landscaping
A: This line item is for the maintenance and mowing contract for the common areas in LLA, it includes the cost for new shrubs & flowers, removal of dead and damaged trees, tree/flower bed mulch, mowing of the storm water ponds, and WestWinds landscaping.
151 - Common Area Res Expenditures
A: This line is for replacement of or installation of new common elements. For example, the FY19 proposed budget amount includes: entrance sign replacements, new cluster mailboxes, replacement & new Boat Racks, major overhaul of the Lake Merle Dam, expansion of the Nightingale Beach.
155 - Trail Res Expenditures
A: The FY19 proposed figure includes the cost to strip and paint Bens Branch bridge with a 25 year coating needed to maintain the integrity of the bridge and some trail upgrades.
Please advise where repair of the West Winds irrigation system is located in the budget. Thank you.
A: As noted, it is included in the WestWinds Entrance maintenance line item.

Q: Since we have a fulltime finance manager on staff, why are we paying for a payroll service audit/tax prep service? sending dues to an outside collector, which I assume has a fee associated?
A: The line for payroll service is inclusive of not only the preparation of payroll but tax reporting, cost to handle and maintain IRA accounts. LLA does not have to purchase, maintain and pay for payroll support software. LLA Bylaws Article 4 specifies a complete audit of all financial records shall be performed at the end of each fiscal year by a Certified Public Accountant. LLA has contracted with a local attorney for collection of past due assessments as LLA is not a licensed collection agency nor does it employ an attorney. There is a fee associated with the service and it is based on a percentage of what is collected. LLA does not pay a per hour rate for collection service.

Q: Staff cost relative to our "income" (dues) seems a bit high (~$986k), shouldn't it be below 20% (<$928k)? what is being done to contain this cost, lower it instead of increasing it each year? After a FY16 -> FY17 increase in salaries of ~4.6%, the FY18 budget shows a ~9.9% increase. this seems excessive, why?

A: The increase you refer to was for an additional position that was approved to be put in the budget by the then sitting BOD. However, the overall employee costs have been reduced from FY18 budgeted by over $30,000 and accounts for 20.4% of operating expenses.

Q: (line 22) what accounts for the ~50% drop in boat rack rentals in FY17 from FY16, and low FY18 budget vs FY16 actual?

A: The short answer is a change was made pertaining to the due date for rental fees. This led to an overlap of income from one year to the other. However, this question will need to be researched more thoroughly and additional explanation will be provided.

Q: Why such large increases in expenses: bank fees, payroll svc, staff salaries, health benefits, staff prof fees, cmptr/software maint, hosted svcs, web site, LLA telephone, veh maint, tools/equip, staff clothing, community patrols? Concern is by setting high budget number, might encourage waste not savings.

A: Bank fees have been reduced from $5000 to $3000, payroll service increase proportionately with staffing increases, as does health benefits. Staff professional fees were increased as Village Managers and the Operations Manager are now required to obtain Association Management related certifications. To accommodate this, the budget for General Manager training was reduced by $3500, more than enough to cover the increase for staff. Computer and Software, hosted services, and web site budget items were increased to make necessary upgrades to the Member Portal and LLA website for enhancements to and ease of use for Members. The FY18 Budget for LLA phone was $14,000; the FY19 figure is $11,000 and includes the new cost of WiFi at the pools. Vehicle Maintenance was reduced from $18,500 to $11,700. Tools and equipment was reduced from $10,000 to $6,800. Staff Clothing was reduced from $2,500 to $1,050. Community Patrol was bid out and subsequently reduced from $82,500 to $60,000.