



Anchor Point Condominium Owners Association

Annual Owners Meeting Kimberling Inn – Garden Terrace November 5, 2011 7:00pm

Agenda

1. Call To Order
2. Introductions
3. Year In Review
 - a. Improve Communication With Owners
 - b. Financial Understanding
 - i. Budget Details
 - ii. Liability To Kimberling Inn
 - c. Survey Owners For Direction and Feedback
 - d. Improvements & Tasks
 - i. Replace Missing Caps on Pool Fence
 - ii. Paint Pool & Parking Lot Fencing
 - iii. Replaced 3 BBQ Grills
 - iv. Work With City Concerning Waste Treatment Plant
4. Financial - Year-To-Date 2011
5. Financial - Budget 2012
6. By-Law Change Monthly → Quarterly Processing Cycles
 - a. Managers Recommend Approval
7. Late Fee Policy
8. Roof Replacement
9. Wi-Fi – Wireless Internet Access
10. APCOA.ORG Web Site
11. Lakeside Pool Rules
 - a. Quiet Time Sign same as Pool Hours
12. Outgoing Manager - Ed Bistline
13. Incoming Manger - Lisa Copeland
14. Additional Comments and Questions
15. Adjournment

Set-Up / Preparation

1. ~~October Newsletter~~ — Notice & Information as needed
2. Sign(s) to find meeting
3. Refreshments / Coffee, Soft Drinks / Soft Cookies
4. Projector/Screen
5. ~~Sign In Sheets — By Unit Number With Owner/Proxy Sign In —~~
 - a. ~~Verify / Add phone & e address~~
 - b. Have someone stationed at Sign In Area
6. ~~Name Tags : Name: — Unit:~~
7. ~~Name Tents — Ed, Don, Lisa, Ann, & Ray~~

Owner Packet

1. Agenda
2. Proposed By-law Change
3. ~~2011 Year To Date Financial Statement (?)~~
 - a. ~~End October 2011 Financials (With Liability Adjustment & Without Tax Account~~
4. 2012 Budget
5. ~~Roofing Summary (From Bid/Estimates)~~
6. ~~Waste Treatment Summary~~

Anchor Point Condominium Budget - Executive Summary

Distribution : APCOA Members

Developed By : APCOA Managers

Purpose : Examination of Costs & Revenue / Expense Comparisons

Dated : 20-Oct-2011

Draft Worksheet for 2012 Budget Development

Assumptions : All 67 Units Paid In Full - 64 -2 Bdrm 3 -1 Bdrm

Based on Partial Financial Statements for 2011, projections, and account changes.

Revenue		Cycle	2011 Annual Budget	Number Of Units	2011 Projected	2012 Annual Budget	2012 Amount Change	2012 Percent Change	2012 Percent of Budget	2012 Annual Unit Cost	2012 Monthly Unit Cost
Maintenance Fees											
1	Maintenance Fees - 2 Bdrm	Qtrly	115,200.00	64	115,200.00	115,200.00	0.00	0.00%	96.24%	1,800.00	150.00
2	Maintenance Fees - 1 Bdrm	Qtrly	4,500.00	3	4,500.00	4,500.00	0.00	0.00%	3.76%	1,500.00	125.00
Totals / Average			119,700.00		119,700.00	119,700.00	0.00	0.00%	100.00%	119,700.00	9,975.00

Expenses		Cycle	2011 Annual Budget	2011 Jan - Aug Expenses	2011 Projected	2012 Annual Budget	2012 Amount Change	2012 Percent Change	2012 Percent of Budget	2012 Annual Unit Cost	2012 Monthly Unit Cost
Business Services											
1	Accounting Services Fee	Monthly	3,060.00	2,040.00	3,060.00	3,060.00	0.00	0.00%	2.56%	45.67	3.81
2	Office Supplies	Annual	40.00	21.88	40.00	300.00	260.00	650.00%	0.25%	4.48	0.37
3	Postage	Annual	1,200.00	251.16	500.00	360.00	-840.00	-70.00%	0.30%	5.37	0.45
Maintenance Services											
4	Maintenance Management Fee	Monthly	5,100.00	3,400.00	5,100.00	5,100.00	0.00	0.00%	4.26%	76.12	6.34
5	Maintenance Repairs	Annual	6,000.00	4,669.18	6,500.00	6,000.00	0.00	0.00%	5.01%	89.55	7.46
6	Equipment - New/Replacement	Annual	1,500.00	1,505.00	1,900.00	1,500.00	0.00	0.00%	1.25%	22.39	1.87
7	Common Ground Maintenance	Monthly	3,060.00	2,040.00	3,060.00	3,060.00	0.00	0.00%	2.56%	45.67	3.81
8	Common Amenity Maintenance	Monthly	7,656.00	5,104.00	7,656.00	7,656.00	0.00	0.00%	6.40%	114.27	9.52
Purchased Services											
7	Insurance Expense	Monthly	37,428.00	24,982.00	36,914.00	36,096.00	-1,332.00	-3.56%	30.16%	538.75	44.90
8	Telephone Expense	Monthly	2,820.00	1,903.23	2,820.00	2,820.00	0.00	0.00%	2.36%	42.09	3.51
9	Electric Expense	Monthly	6,300.00	3,771.09	6,300.00	6,300.00	0.00	0.00%	5.26%	94.03	7.84
10	Sewer Expense	Monthly	23,400.00	13,595.48	21,000.00	23,400.00	0.00	0.00%	19.55%	349.25	29.10
11	Trash Expense	Monthly	1,356.00	904.00	1,356.00	2,000.00	644.00	47.49%	1.67%	29.85	2.49
12	Cable Television Expense	Monthly	13,080.00	8,956.47	13,435.00	13,500.00	420.00	3.21%	11.28%	201.49	16.79
13	Internet Service (New)	Monthly						100.00%			
14	Web Site Service (New)	Annual						100.00%			
15	Annual Meeting (New)	Annual				500.00	500.00	100.00%	0.42%	7.46	0.62
Reserve Funding											
15	Improvement Account	Annual				4,024.00	4,024.00	100.00%	3.36%	60.06	5.00
16	Reserve Account	Annual	7,700.00			4,024.00	-3,676.00	100.00%	3.36%	60.06	5.00
Miscellaneous Accounts											
17	Maint. Agreements (Inactive)	Annual	250.00	0.00	0.00	N/A		100.00%	0.00%	0.00	0.00
18	Property Taxes (Inactive)	Annual	3,426.00	0.00	0.00	N/A		100.00%	0.00%		
Budget Summary											
Totals			119,700.00			119,700.00	0.00		100.00%	1,786.57	148.88

Note : Inactive Accounts were budgeted in 2010, but not used and therefore budget transferred to Reserve and not included in 2010 Budget Total.



Anchor Point Condominium Owners Association

Budget Notes - 2012 Budget Preparation Draft

These Budget Notes and the Budget Worksheet may be used to develop the 2012 APCOA Budget. Each Budget Line item has a:

- Title Identifying the Account
- Purpose Defining the Account
- 2011 Budgeted monies for the Current 2011 Fiscal Year
- **2012** Budgeted monies proposed for the 2012 Fiscal Year
- Notes Brief explanation of 2012 budget allocation

The accounts are listed differently from 2011. I have grouped related items into categories. Some accounts have functionally changed to better define exactly the purpose of the account. Maintenance accounts have been divided into Grounds and Amenities. Therefore, Roads, Pools, Tennis Usage no longer go together.

Revenue:

Maintenance Fees

Purpose : Assess each unit funds to support common areas and services.

2011 : \$119,700

2012 : \$119,700

Notes:

No Change

Total Revenue: \$119,700/Year

1 Bedroom	\$125/Month	3 Units	\$1,500/Year
2 Bedroom	\$150/Month	64 Units	\$1,800/Year

Expenses:

Business Services

Accounting Fee:

Purpose: Payment to Kimberling Inn for APCOA Accounting Services. Services include Quarterly Billings, Accounts Receivable, Expense Documentation and Disbursements, Monthly Financial Statements, Periodic Mailings, and other appropriate services as may be required.

2011 :	\$3,060	(\$255.00/Month)
2012 :	\$3,060	(\$255.00/Month)

Notes:

Office Supplies:

Purpose: Paper, Envelopes, basic office supplies, copy machine cost (\$.015/copy) for APCOA billings and communication.

2011 :	\$ 40	(\$3.34/Month)
2012 :	\$300	(\$25.00/Month)

Notes: Clearly the 2011 budget was not enough to cover the supplies required to support our increased communications. Any unused funds could be used to get a scanner so that documents may be distributed via the web.

- 4 - Quarterly Statements & Newsletters
- 3 - Special Newsletters
- 3 – Surveys (Partial)
- Financial packets & board requests

Postage:

Purpose: Postage for APCOA billings and mailings.

2011 :	\$1,200	(\$100.00/Month)
2012 :	\$ 360	(\$ 30.00/Month)

Notes: Clearly the 2011 budget was way too high for our mailings.

Calculation: (67 Units * 10 Mailings * .50 Postage) = \$335 + Vendor & Board Mailings

Expenses: (Continued)

Maintenance Expenses

Maintenance Management Fee:

Purpose: Payment to Kimberling Inn for maintenance oversight of APCOA facilities

2011 : \$5,100 (\$425.00/Month)

2012 : \$5,100 (\$425.00/Month)

Notes:

Maintenance Repairs:

Purpose: Cost of repairs (labor & materials) to Common Area

2011 : \$6,000 (\$500.00/Month)

2012 : \$6,000 (\$500.00/Month)

Notes: Expenditures for 2011 are running a little above 2011 budget at 78% through August.

Equipment – New/Replacement:

Purpose: Cost of replacement equipment to the Common Area. Equipment includes BBQ Grills and Lakeside Pool Furniture.

2011 : \$1,500 (\$125.00/Month)

2012 : \$1,500 (\$125.00/Month)

Notes: Expenditures for 2011 are above budget at 100.33% through August. This is due to the replacement of 3 BBQ Grills. We should create an inventory for pool furniture and maintain that count.

Common Grounds Maintenance

Purpose: Payment to Kimberling Inn for the upkeep and maintenance of the grounds. Services include lawn care, outside trash pick-up, road & parking lot maintenance, parking lot striping, and snow removal.

2011 : \$3,060 (\$255.00/Month)

2012 : \$3,060 (\$255.00/Month)

Notes: This account has been changed from 2011 to better define the service provided. The Common Area Maintenance is now divided into Common Grounds and Common Amenities.

Common Amenity Maintenance

Purpose: Payment to Kimberling Inn for the maintenance and replacement of the common area amenities as needed. Amenities include lakeside pool and bathrooms, tennis courts, indoor pool, steam room, sauna, weight room, and miniature golf area.

2011 : \$7,656 (\$638.00/Month)

2012 : \$7,656 (\$638.00/Month)

Notes: This account changed from 2011 to define Common Amenities.

Expenses: (Continued)

Purchased Services

Insurance:

Purpose: Payment to Kimberling Inn to insure APCOA Structures, Common Area, and Personal Injury.

APCOA pays 27.4% of the KI complex policy cost from Connell Insurance/United Fire & Casualty

2011 : \$37,428 (\$3,119.00/Month)

2012 : \$36,096 (\$3,008.00/Month)

Notes: Based on 27.4% if Kimberling Inn monthly bill.

New Rate – August 2011: \$131,734 Annual Complex * APCOA 27.4% = \$36,096

Projected 2010: (8 * \$3,119) + (4 * \$3,008) = \$36,914

2012 Budget: \$3,008 / Month Jan- July - \$3,120 Aug-Dec = \$36,656

Jan-July is current policy – Aug – Dec additional for possible increase

Telephone Expense

Purpose: Payment to Kimberling Inn for telephone service in main unit and lock-out.

APCOA pays 10% of the KI complex telephone bill to Century Link.

2011 : \$2,820 (\$235.00/Month)

2012 : \$2,820 (\$235.00/Month)

Notes: Based on 10% of the Kimberling Inn monthly bill.

Not sure why our rate would be based on the KI bill. It seems like providing telephone service to 67 units would be a fixed amount and variation to the KI bill would be based on reservations, incoming 800 calls, etc... However the cost is very reasonable and running true to budget...

Electric Expense

Purpose: Payment to Kimberling Inn for electricity for Common Area lights and pool operation.

APCOA Pays 2% of the KI complex electric bill from White River Electric Cooperative.

2011 : \$6,300 (\$525.00/Month)

2012 : \$6,300 (\$525.00/Month)

Notes: Based on 2% of the Kimberling Inn monthly bill.

Current 2011 expenses are running true to budget. No budget change.

Sewer Expense

Purpose: Payment to Kimberling Inn for sewer service..

APCOA pays 20% of the KI complex sewer bill from Kimberling City.

2011 : \$23,400 (\$1,950.00/Month)

2012 : \$23,400 (\$1,950.00/Month)

Notes: Based on 20% of the Kimberling Inn monthly bill.

Current 2011 expenses are running a little lower than budget. No budget change.

Expenses - Purchased Services (Continued)

Trash Expense

Purpose: Payment to Kimberling Inn for trash dumpster service for units.

APCOA pays a fixed monthly rate to KI for bills from Allied Waste.

2011 : \$1,358 (\$113.00/Month)

2012 : \$2,000 (\$166.67/Month)

Notes: Currently APCOA pays a fixed \$113/month which is half of the cost for pick-up service. With one dumpster on the lower level serving both APCOA and Timeshare Units, the increase is reasonable and appropriate.

Cable Television Expense

Purpose: Payment to Kimberling Inn for basic cable television service to units.

APCOA pays 20% of the KI complex cable bill from MediaCom.

2011 : \$13,080 (\$1,090.00/Month)

2012 : \$13,500 (\$1,125.00/Month)

Notes: Based on 20% of the Kimberling Inn monthly bill.

Current 2011 expenses are running a little above budget at 68.5%.

Therefore, added \$420 for 2012.

Internet Service Expense

Purpose: APCOA is investigating the possibility of providing Internet service to owners & guest.

This service and cost has not yet been determined.

Web Site Service Expense

Purpose: APCOA is investigating the possibility of providing a web site to improve owner communication and available information.

This service and cost has not yet been determined.

Annual Meeting Expense

Purpose: APCOA expenses directly related to the execution of the required Annual APCOA Meeting. Meeting expenses may include materials such as; name labels, certificates, and printing expenses, and location expenses; such as, room charge, set-up costs, audio visual expenses, and food and beverage expenses.

2011 : New account, did not exist in 2011

2012 : \$500

Reserve Funding:

Improvement Account

Purpose: Monies set aside to be used in conjunction with the monies from the other Kimberling Inn entities to make improvements to the Kimberling Inn property for the benefit of all entities. Examples might be improvements to conference rooms to attract more conferences, better signage to improve visibility and appearance, or updating entrance, front desk, and lobby areas. This fund is utilized at the discretion of the Managers.

2011 : New account, did not exist in 2011

2012 : \$4,024

Notes: Currently calculated from the difference between Budget Revenue & Expenses divided by 2. Unbudgeted funds are divided between Improvement and Reserve Accounts. (Budget Revenue \$119,700 – Budget Expenses \$111,652) / 2 = \$4,024

Reserve Account

Purpose: Monies set aside as Contingency Funds to be allocated or saved at the discretion of the Board of Managers. At the end of the fiscal year, all remaining funds will be transferred to the Reserve Account and then be transferred to the APCOA Savings Account. The Reserve Savings Account funds are not available to current year budget allocations, but may be allocated or saved at the discretion of the Board of Managers.

2011 : Will be determined at the end of 2011 fiscal year.

2012 : \$4,024

Notes: Currently calculated from the difference between Budget Revenue & Expenses divided by 2. Unbudgeted funds are divided between Improvement and Reserve Accounts. (Budget Revenue \$119,700 – Budget Expenses \$111,652) / 2 = \$4,024

Internet & Web Site currently not budgeted and as a draft other account budgets may be adjusted during the draft period. This fund is utilized at the discretion of the Managers.

Miscellaneous Accounts:

Maintenance Agreements

Purpose: There were no Maintenance Agreements in 2011. A general purpose Maintenance Agreement Account should not exist. Specific Maintenance Agreements will be assigned an Account Line with specific purpose and associated costs.

2011 : \$ 250 (Not used, will be transferred to Reserve at End of Year)

2012 : Account to be Inactivated

Property Tax

Purpose: There are no APCOA Property Taxes due in 2011. It has been determined that the land associated with the tax was not in the area occupied by the APCOA. Therefore, this Property Tax Account is no longer appropriate and will be inactivated.

2011 : \$3,426 (Not used, will be transferred to Reserve at End of Year)

2012 : Account to be Inactivated



Anchor Point Condominium Owners Association

The APCOA Board of Managers are recommending changes in the APCOA By-Laws - Article IV Section 3 to reflect the current operation of the association.

Summary:

Currently this section states that the Assessments for Common Expenses to be paid monthly. Operationally, the association has sent statements to owners quarterly for at least 15 years. Therefore; the board recommends that Article IV Section 3 be changed to reflect the operation. Additionally, a monthly billing cycle would increase the processing workload three fold with no benefit to the association.

APCOA By-Laws – Article IV – Budgets and Assessments -Section 3: Assessments Current Language

Section 3: Assessments : The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner not later than ninety (90) days after the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly Assessment for the Common Expenses, one-twelfth (1/12) of the Common Expenses for such year as shown by the annual budget and one-twelfth (1/12) of the Limited Common Element Assessments made pursuant to Section 3.8 of the Declaration. Such proportionate share of Common Expenses (as distinguished from expenses attributable to Limited Common Elements) for each Unit Owner shall be in accordance with his respective share of ownership in the Common Elements as set forth in Exhibit "C" to the Declaration. The board may cause to be sent to each Unit Owner on or before the first day of each month a statement of the monthly Assessment of such Unit Owner for such month, but the failure to send or to receive such monthly statement shall not relieve any Unit Owner of his obligation to pay his monthly Assessment on or before the first day of each month. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly Assessments for any year, shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly Assessment as last determined. Each Unit Owner shall pay his monthly Assessment on or before the first day of each month to said managing agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his Assessment for Common Expenses by abandoning or not using his Unit or the Common Elements.

APCOA By-Laws – Article IV – Budgets and Assessments -Section 3: Assessments
Proposed and Recommended Language

Changes are in **Bold Type**

Section 3: Assessments : The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner not later than ninety (90) days after the beginning of such year. On or before the first day of the first **quarter** and of each succeeding **quarter** of the year covered by the annual budget, each Unit Owner shall pay, as his respective **quarterly** Assessment for the Common Expenses, **one-fourth (1/4)** of the Common Expenses for such year as shown by the annual budget and **one-fourth (1/4)** of the Limited Common Element Assessments made pursuant to Section 3.8 of the Declaration. Such proportionate share of Common Expenses (as distinguished from expenses attributable to Limited Common Elements) for each Unit Owner shall be in accordance with his respective share of ownership in the Common Elements as set forth in Exhibit “C” to the Declaration. The board may cause to be sent to each Unit Owner on or before the first day of each **quarter** a statement of the **quarterly** Assessment of such Unit Owner for such **quarter**, but the failure to send or to receive such **quarterly** statement shall not relieve any Unit Owner of his obligation to pay his **quarterly** Assessment on or before the first day of each **quarter**. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new **quarterly** Assessments for any year, shall be delayed in doing so, each Unit Owner shall continue to pay each **quarter** the amount of his respective **quarterly** Assessment as last determined. Each Unit Owner shall pay his **quarterly** Assessment on or before the first day of each **quarter** to said managing agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his Assessment for Common Expenses by abandoning or not using his Unit or the Common Elements.