

LAKE WALLKILL COMMUNITY, INC.

5 Lakeside Drive, Sussex, NJ 07461
Phone: 973-875-5620 Fax: 973-823-6425
info@lakewallkill.com

January, 2013

Dear Member,

On behalf of the Management Committee, BT and Brendan, I wish you and your family a happy and healthy new year.

I would like to take this opportunity to update you on some of the key challenges and opportunities confronting our community:

2013 Budget/Dues: The Management Committee met in open meeting on November 25th to discuss the budget for 2013. The budget proposal calls for expenses of \$357,415.00. This represents an approximate \$10,000.00 expense reduction versus 2012. Revenue projections for 2013 will be impacted by the relatively mild winter in 2012. Reimbursements from Vernon Township for certain costs related to snow removal are expected to be well below 'normal' levels. The Management Committee voted to implement dues of **\$1,100.00 in 2013**, a \$20.00 increase versus 2012. We have tried to balance the budget with some expense reduction and limiting the need for dues increase while managing the lower Kelly Law reimbursements. We continue to operate with a 3 month contingency fund versus the desired 6 month budget contingency.

Irene Reimbursement: As a result of devastating storms in 2011, Lake Wallkill needed to spend \$198,100 to remedy severe damage to our roads (road obstructions). According to the NJ Municipal Services Act, Vernon Township is responsible for reimbursing private communities for certain expenses to limit double taxation on residents of private communities. Accordingly, Vernon Township was billed for our Irene damage and certified these costs in submissions to FEMA. The costs were broken into 12 separate "Project Worksheets" related to different road projects undertaken by the Lake. To date, we have received reimbursements of only \$1,237 related to one of the twelve Project Worksheets. Over the course of 2012 we have received both positive and negative information relative to FEMA support for our submission. On January 3rd, a group of Vernon Lake communities, including Lake Wallkill, met with the mayor. The town is continuing to press FEMA and asking for assistance from our elected representatives in Washington. As of this time, there is no clear path to resolution on the question of reimbursement for Irene damage. For this reason, we could not factor this into the budget plan for 2013.

Revenue Initiatives: Given the financial challenges we face, the Management Committee has been considering a number of initiatives for increasing revenue. Some have been implemented and others are still under consideration, following is a summary:

Dues Arrears: In an effort to incentivize members that are currently in arrears, the Management Committee voted to approve a resolution to offer a promotion, 13% discount on dues in arrears as of December 1, 2012. The program will run from December 1, 2012 through July 31, 2013.

Beach Lockers: The Management Committee approved the construction of twenty-four lockers behind the garage at the office. Construction costs are expected to be covered by donations. Members can reserve a seasonal rental for one of the lockers by sending the \$150.00 seasonal fee and the enclosed application together with their dues bill. Locker reservations will be assigned based on receipt of the rental fee together with the 2013 dues or an executed payment plan, on a first come first serve basis, for the limited number of lockers (24).

Clubhouse Rental: The Management Committee is evaluating if a policy change should be made to allow the rental of the Clubhouse for private member functions. There is a sub-committee researching this, talking to other communities that rent their clubhouse, fees charged, alcohol policy and related aspects of 'hall' rentals. The sub-committee will be making a recommendation based on the research in the March timeframe. If you would like to provide input on this topic please contact your district rep or another member of the Management Committee.

Over ⇒

Rental Policy: In 2012, the Management Committee evaluated a policy change to our current rental policy. The policy change was acknowledging that we have rentals in the lake today and our policy prevents collection of dues from owners. A resolution to modify the rental policy was defeated by Management Committee vote at the July meeting. At our November budget meeting, one of the dissenting committee members from the July vote requested reconsideration of a rental policy change. Accordingly, the Management Committee will take up this question in 2013. If you would like to provide input on this topic please contact your district rep or another member of the Management Committee.

Sponsorship Opportunities: The Management Committee expects to offer sponsorship programs as part of Lake Beautification in 2013. Some projects are in the planning stages that will offer Members the opportunity to sponsor a project. Similar to the brick program in the sun-house, Members will have the chance to recognize and remember loved ones with permanent recognition. Projects in planning include picnic tables adjacent to the beach and replacement benches for the boardwalk. If you are interested in a sponsorship, please contact the office and we will get back to you as project plans are finalized.

Garbage Pick-up: Beginning July 1st 2013 we will begin a new program to help manage garbage pick-up in the community. Dues paying members will be issued labels for their garbage cans together with their badges. The garbage company will be instructed to only pick-up garbage from cans displaying the sticker.

IMPORTANT REMINDER: In 2011, the Management Committee adopted a resolution to change the Fee Schedule for **Late Fees**. A **late fee of 1.5% per month** (18% annually) on all accounts that become delinquent. This change was implemented to encourage on time payment by members and to place an appropriate annual fee on non-payers that provides an incentive to pay (to avoid substantial late fees).

Payment Plans are available for any Member with a financial hardship. We have a Finance Committee to handle the administrative process confidentially. Members may use the enclosed dues form to indicate they are interested and need to be contacted about a payment plan. If you need a payment plan, please request it early to avoid any late fees. For more information about payment plans you can stop by the office or find it on-line at: <http://www.lakewalkill.com/pdfs/fcp2012.pdf>

Before closing, I would like to thank Jake Bush for all of his hard work and flexibility stepping in for Brendan while he has been out on disability. Brendan, you may recall, was struck by an ATV rider in July sustaining multiple injuries. He has completed knee and back surgery and continues his rehabilitation to get back to full strength and physical capability. The Vernon Police have brought appropriate charges that are working their way through the court system.

Planned 2013 Meeting Dates (Subject to confirmation, with details, at least 14 days in advance)
Saturday's: March 23, May 25, June 29, July 27, August 31 and the annual Budget meeting on Sunday November 24. (Note: Because the holiday is late in 2013, the budget meeting will be held the Sunday before Thanksgiving)

Based on real estate taxes paid by our community, the amount allocated to each member in good standing is **\$60.38**, which may be used for income tax purposes.

Sincerely,



Bob Smith
President, Lake Walkill