

LAKE WALLKILL COMMUNITY, INC.

5 Lakeside Drive, Sussex, NJ 07461
973-875-5620

January, 2021

Dear Member,

On behalf of the Management Committee, Shawn & Violet, I wish you and your family a happy and healthy new year.

Key information about our community:

2021 Budget/Dues: The Management Committee met in open meeting on November 21st to discuss the budget for 2021. The Management Committee voted to implement dues of **\$1,200.00 for 2021**. In 2018, The Management Committee voted to implement a Dam assessment to begin setting aside funds for anticipated Dam repairs. Through the end of 2020 we have dedicated \$195,600 towards the Dam Project. The Dam assessment for 2021 will be \$300 for each Member Property. You will also note on your dues bill that each Member Property is receiving a \$200 credit for the excess income from our Collections Program for delinquent accounts, that results in a \$100 assessment to be paid by each member property. **For 2021, the total due for each property is \$1,300.00.**

Dam Repairs: 2021 is the year we will execute our Dam Repair Project which consists of the replacement of the Spillway. The projected costs to complete this project are \$311,500. We will be funding these repairs from the dedicated Dam Project funds (\$195,600), the 2021 Dam Assessment (\$29,800) and loans from Members (\$86,000) [see below details of the loan program]. In terms of major project milestones:

- Receive permit approval from NJ DEP Division of Dam Safety (January 2020)
- Complete Request for Proposal for construction of the new Spillway (June 2020)
- Lower Lake and begin Construction (September 2020)
- Project Length 4-6 Month (Complete between December/February)

As we engage with our Engineering firm (GZA) and our selected contractor we will provide additional information about the project including plans to ensure the wildlife is protected from construction activities.

Loan Program: The Management Committee received positive feedback from Members in the survey we conducted last year about a Loan Program to complete funding of the Dam Repairs. As a result, we will implement a Loan Program in 2021 as a way to spread out the cost of some long-term projects and manage cash flow for the Community. The 2021 Budget Plans for \$110,000 in Loan Income from Members that want to participate in the program. If you are interested in this program please fill out the enclosed Loan "Initial Commitment" form. The terms of the program are:

- **\$5,000 minimum commitment or Commitments in \$5,000 increments (\$5, 10, 15, 20K etc...)**
- **5 Year Term**
- **3% Interest (1099INT for all investors annually)**
- **Complete Loan Documents by June 2021**
- **Investors provide Funds by October 2021**
- **Monthly payments to investors commence January 2022 through December 2026**
- **Loan Repayment to be funded in operational budgets 2022-2026.**

Management Committee Elections: 2021 is an Election year for all Officers and Trustees and the Odd Numbered District Reps. Any Member in Good Standing can nominate themselves or any other Member in Good Standing to positions on the Management Committee. The operation of our community depends on Volunteers to staff Management Committee positions. The election process will run from May through July. Members will receive notices and call for nominations, please consider participating in the 2021 Election.

Vernon Snow Removal Reimbursement:

The State of NJ has a law known as the Municipal Services Act (MSA) sometimes referred to as the Kelly Law that requires each Municipality to provide certain services to Private Communities or reimburse the communities for those services that the Municipality chooses not to provide. The basis for this law is a recognition that private community residents pay the same tax rate as residents of Vernon that do not live in private communities and the legislature wanted to address the "double taxation" that occurs when private community residents pay for certain services in their taxes and their HOA Fees. The MSA has been in place since 1993, it's been a source of conflict between Vernon and the Private Communities since it's inception. Vernon has decided not to provide snow

removal to the Private Communities, so the law requires the Town to reimburse the private communities for “the following services within a qualified private community in the same fashion as the municipality provides these services on public roads and streets: Removal of snow, ice and other obstructions from the roads and streets “ AND the reimbursement “amount shall be the actual cost to the qualified private community of providing that service, but not exceeding the amount which the municipality would have expended on that service if it were provided directly by the municipality to the qualified private community”

Based on aggressive actions by the town our reimbursements were under-reimbursed by \$6,000 in 2018 and the 2019 reimbursement is proposed to be \$20,000 short. The Management Committee is in consultation with the other private communities on an appropriate response to Vernon given the current actions of the town.

Payment Plans – IMPORTANT INFORMATION:

For members that complete a signed payment plan by April 1st the payment plan fee is \$30. IF a payment plan is initiated after April 1st, the payment plan fee increases to \$60. In addition, late fees apply after April 1st . ALL Payment plans must be in writing and **signed** by the property owner by the April 1st deadline to be effective.

More members are finding **Payment Plans** a convenient and confidential way to manage their dues bill especially in a case of financial hardship. We have a Finance Committee to handle the administrative process confidentially. You may e-mail us at officemanager@lakewalkill.com or 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 on payment plans you may stop by the office or find it on line at: <http://www.lakewalkill.com/pdfs/fcp.pdf>

If you are experiencing a financial hardship due to the Pandemic or any other life event, please contact the office for options to obtain a hardship payment plan and keep your Membership in Good Standing.

Dues Collections:

It is each member's responsibility to make sure their dues are paid, or a payment plan signed on time. The following dates are important milestones to be sure your dues are timely and you avoid extra cost/fees:

March 1 st	2021 Dues Due Date
March 31 st	End of grace period 2021 Dues Deadline
April 1 st	Late fees applied; 1.5% per month on outstanding balance.
May 1 st	Suspend Membership AND Initiate referral of all delinquent accounts to Collections*

***If your balance is unpaid and/or a signed payment plan has not been executed, your account will be referred to collections including collection fees up to 30% of your outstanding balance.**

Planned 2020 Meeting Dates (Subject to confirmation, with details, at least 14 days in advance)

Saturdays April 3rd ,May 29th, June 26th, July 31st & September 4th and the annual Budget meeting on Saturday November 20th .

Based on real estate taxes paid by our community, the amount allocated to each member in good standing is \$65.40 which may be used for income tax purposes.

Sincerely,

Bob

Bob Smith

President, Lake Walkkill

INVESTMENT OPPORTUNITY

Frequently Asked Questions:

Why do the Loan/Investment Program?

We have committed time constraints for completing our Dam Repairs. While we have “saved” a significant amount towards the repairs we do not have all of the funding required. The \$110,000 we are targeting to receive through the Loan Program equates to \$380 per dues paying member...if we needed to add that to this year’s dues and assessments it would mean each Member would have to pay \$1,680 (versus the \$1,300 planned). By using the loan program, we can spread that cost over 5 years and hope to do that within the regular budget versus needing additional assessments.

Will the Loans only be used for the Dam?

The majority of the funds will go towards the Dam Project but we also have a couple of other items that can be funded through this loan program and spread the cost over 5 years. The Clubhouse Roof needs replacement at an estimated cost of \$18,000 that we have been deferring for a couple of years and we need a dump trailer for our annual leaf collection. The trailer would allow us more time/flexibility to vacuum leaves from Community Properties where today we have to balance the leaf box on the truck with the sander to be prepared for early storms.

How will the loans be repaid?

We will make payments to the investors beginning January 2022. We will make monthly payments for 60 months (5 years). The interest and principal payments will be about \$2,000 per month (\$24,000 per year) that we will include as an expense in our budget beginning 2022.

How do I sign up for the Loan Program?

Fill out the “Initial Commitment” form contained with this mailing and return it with your dues payment or directly to the Office.

INVESTMENT OPPORTUNITY "Initial Commitment"

Name: _____

Lake Address: _____

Home Address: _____

Best Phone Contact: _____

E-Mail : _____

- I am interested in the Investment Opportunity for Lake Walkkill Community Dam Repair funding. I understand the proposed loan would be for a 5 Year Term and include an interest rate of 3%. I am making an initial commitment of:

\$ _____ (increments of \$5,000)

Important Note: This initial commitment will be used for planning in the 2021 Budget. Loan Documents will be prepared based on your initial commitment and provided to you for signature in June 2021. Signing the loan documents will be your 'final commitment' to provide the Loan Amount to Lake Walkkill in October 2021.

All investors will receive a 1099INT for each year interest is paid.

Repayment of the loans will begin in January 2022 and continue for 60 months (5 years).

Signed _____ Date _____