

Lake Shannon HOA Newsletter Update

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Published November 2023



The Lake Shannon Board would like to thank everyone who attended our annual Fall Membership Meeting on October 26th to vote on the 2024 budget. Your input and feedback are greatly appreciated, as the budget process provides members with the opportunity to discuss and approve how dues are allocated. At the meeting not all of the proposed projects were approved. An adjustment was made to increase the cost of one project and to decrease the capital improvement fund.

Due to the changes made and approved at the Association meeting the HOA fees have been recalculated and are presented within the newsletter (pages 5-7), along with supporting information regarding the meeting and budget discussions.

If you recall, we had nine proposed projects budgeted for the general membership to consider. Of the nine projects presented, seven passed for a total of \$71,250. A motion was also made to not increase the capital improvement fund by \$22,059, leaving the capital improvement fund at \$37,941 for the 2024 fiscal year. It was discussed and confirmed that over a 3-year period expenses have not exceeded the approved balance. The table below reflects what was approved and the dollar amount for the Special Assessment portion of the budget.

Special Assessments	2024 Budgeted Funds	Approval
Dam Projects		
Tree Removal from Dam to Spillway	\$ 15,650	Passed
Refinish Dam & New Buoys	\$ 7,500	Passed
Parks & Islands Projects		
Brandon Island - Rocking	\$ 22,500	Failed
Leprechaun Island - Rocking	\$ 15,000	Failed
Dublin Island - Rocking	\$ 4,000	Passed
Gaelic Island - Rocking	\$ 12,000	Passed
Launch & Security Projects		
Replace Dock at Boat Launch	\$ 26,000	Passed
Gate System Protection - Improvements	\$ 3,600	Passed
Boat Launch Signage Updates	\$ 2,500	Passed
Capital Improvements Fund	\$ 22,059	Failed

We are pleased that these improvements to the dam, boat launch and island rocking will begin in 2024. Overall, we hope the membership is pleased with the final dues assessment for 2024 as dues have decreased from the prior budget presentations published and are in line with prior years.

Budget Item Discussions:

Weed Control became a topic at the meeting where off-lake properties felt they were being unfairly charged. Our bylaws state in Article 5, Section 5, Weed Control Fee: “Along with the Annual Dues the Association’s Board of Trustees may require that a member pay a Weed Control Fee. This fee shall be (a) approved by the membership as part of the approval of the budget, (b) shall be due and payable as provided by Section 3 of this Article, (c) for purposes of this Article V shall be considered dues, and (d) the amount assessed shall be such that a lake lot will be assessed three times the amount of an off-lake property and a developed property will be assessed at twice the amount of an undeveloped property.”

We have reviewed the calculations behind the apportionment, and they are correct. It would have been an unfair imbalance to off-lake properties, if the monies to pay the balance of weed control came out of the general fund. We are advising that the payment came out of the amount originally allocated for weed control at the beginning of 2023.

This can be expressed in the table below, showing that, for Weed Control every \$1 that is paid by an off-lake lot, \$6 is paid by an on-lake house:

Off-Lake Lot	\$1	Off-Lake House	\$2
On-Lake Lot	\$3	On-Lake House	\$6

A question arose regarding where the Association banks and if dredging funds are allocated within the budget. The Association continues to maintain its banking relationship with Bank of Ann Arbor (formerly known as First National Bank of Howell) in Hartland. We use Intuit QuickBooks as our Accounting Platform for both receivables, payables and our membership database. The dredging funds are part of the Special Assessment and are not part of the annual budget process. They are held by the same institution and accounted for separately.

Some of the line items in our budget are self-explanatory, however, a few of them required an explanation at the meeting. These terms are explained below and will be included in future budget presentations.

Legal Contingency – the fund was established to reserve monies for unexpected legal issues that would impact our community.

Technology – this is a new category which we broke out in September 2023 to track costs associated with software; Google Drive, Weebly LSA Website, domain licensing and Zoom. Prior to September 2023, these expenses were classified with printing.

Insurance Board Liability – State Farm Insurance policy providing Board Members liability insurance.

Professional Fees – this category will classify expenses incurred for services provided by an outside firm, such as survey reports, reports encompassing projects and infrastructure.

Board Authorized Expenses – annual stipend to Board Members to cover miscellaneous expenses such as paper and print cartridges, the phone directories for the Welcome Committee, etc.

Long Term Financial Planning – the fund was established to reserve monies for future projects which would require membership approval.

Capital Improvements – the fund is to assist with unforeseen expenses associated with storm damage or other damage to Association property. The use of funds eliminates the need for a special meeting and approval from the membership. It allows the Board to address the damage in a timely manner and potentially eliminates a special assessment. In the past monies have been used for storm damage at the Swim Park and the expenses are reported to the membership at an Association meeting.

Budget Presentation

Numerous members have asked that we simplify the HOA fee table. The enclosed version removes the Deerfield and Tyrone Townships and Pond categories for on lake and off-lake houses and lots. Since the fee structure is the same regardless of what township you reside in, we have combined the property types. We feel this is a much cleaner presentation and easier to read.

You will notice that on lake houses HOA fees decreased by \$3.00 from \$711 in 2023 to \$708 in 2024, while off-lake houses HOA fees increased by \$22.00 from \$612 in 2023 to \$634 in 2024. This is attributable to the Weed Control costs minus the previous year's carryover which is \$12,000 less (compared with 2023 to 2024). In the same way that on lake houses pay 3 times as much for weed control as off lake houses, when weed control costs go down, on lake houses benefit 3 times as much as off lake houses.

If you have any questions or comments, please reach out to Theresa Rago at lsa.president@lake-shannon.com or 313-580-9022. Or questions can be directed to the Association's general email address at lsa.lakeshannon@gmail.com

Lake Shannon Association Board

FINAL 2024 LAKE SHANNON ASSOCIATION BUDGET DETAILS

General Expenses	2023 Budgeted Funds	2023 Funds Spent YTD (to 9/30)	2023 Est Expense Remainder of year	2023 Projected Expenditures	Carryover Funds	2024 Budgeted Funds	2024 Required Additional Funds
Bad Debt Write Off	1,000	0	0	0	1,000	1,000	\$0
Insurance (Board Liability)	4,700	4,414	0	4,414	286	4,700	\$4,414
Board Authorized Expenses	1,500	1,150	350	1,500	0	1,500	\$1,500
Postage and Printing	3,000	1,992	1,008	3,000	0	3,000	\$3,000
Technology	1,500	914	0	914	586	1,000	\$414
Professional Fees	0	3,052	0	3,052	(3,052)	1,550	\$4,602
Accounting/Bookkeeping	5,000	4,190	1,000	5,190	(190)	5,000	\$5,190
Legal Fees	7,500	2,831	1,000	3,831	3,669	7,000	\$3,331
Parks & Islands	35,000	24,324	10,676	35,000	0	37,000	\$37,000
Dam Maintenance	7,000	7,220	500	7,720	(720)	5,000	\$5,720
Boat Launch	3,500	2,564	1,000	3,564	(64)	3,500	\$3,564
Long Term Financial Planning	23,800	23,800	0	23,800	0	23,800	\$23,800
Meeting Recognition	1,200	700	400	1,100	100	1,200	\$1,100
Property Taxes & Dues	500	573	0	573	(73)	600	\$673
Total General Expenses	95,200	77,724	15,934	93,658	1,542	95,850	\$94,308

The general operating budget was approved as presented.

General Expenses	2023 Budgeted Funds	2023 Funds Spent YTD (to 9/30)	2023 Est Expense Remainder of year	2023 Projected Expenditures	Carryover Funds	2024 Budgeted Funds	2024 Required Additional Funds
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Special Assessments									
PROPOSED CAPITAL PROJECTS 2024	Capital Improvements	60,000	16,059	6,000	22,059	37,941	37,941	\$0	
	Tree Removal from Dam to Spillway						15,650	\$15,650	
	Refinish Dam & Bouys						7,500	\$7,500	
	Rocking Brandon Island						0	\$0	
	Rocking Leprechaun Island						0	\$0	
	Rocking Dublin Island						4,000	\$4,000	
	Rocking Gaelic Island						12,000	\$12,000	
	Replace Dock at Launch						26,000	\$26,000	
	Gate System Protection						3,600	\$3,600	
	Launch Signage Updates						2,500	\$2,500	
	CONTRACTS	Legal Contingencies	50,000	0	0	0	50,000	50,000	\$0
Waste Removal		78,000	77,891	109	78,000	0	78,000	\$78,000	
Mosquito Control		22,000	22,000	0	22,000	0	22,000	\$22,000	
Fireworks		15,000	15,000	0	15,000	0	15,000	\$15,000	
Fish Survey/Stocking		1,000	0	1,000	1,000	0	1,000	\$1,000	
Water Testing		4,500	175	500	675	3,825	4,500	\$675	
Weed Control		51,500	34,227	1,000	35,227	16,273	51,500	\$35,227	
Total Special Assessments		282,000	165,352	8,609	173,961	108,039	331,191	\$223,152	
Total Budget	377,200	243,076	24,543	267,619	109,581	427,041	317,460		

FINAL 2024 LAKE SHANNON ASSOCIATION BREAKDOWN BY PROPERTY TYPE

Budget Line Item Description	BREAKDOWN OF DUES BY PROPERTY TYPE			
	Lake or Pond House	Off Lake House	Lake Lot	Off Lake Lot
Property count	243	128	40	64
General Expenses	\$196.75	\$196.75	\$196.75	\$196.75
Capital Improvements	\$0.00	\$0.00	\$0.00	\$0.00
Tree Removal from Dam to Spillway	\$32.65	\$32.65	\$32.65	\$32.65
Refinish Dam & Bouys	\$15.65	\$15.65	\$15.65	\$15.65
Rocking Dublin Island	\$8.34	\$8.34	\$8.34	\$8.34
Rocking Gaelic Island	\$25.03	\$25.03	\$25.03	\$25.03
Replace Dock at Launch	\$54.24	\$54.24	\$54.24	\$54.24
Gate System Protection	\$7.51	\$7.51	\$7.51	\$7.51
Launch Signage Updates	\$5.22	\$5.22	\$5.22	\$5.22
Legal Contingencies	\$0.00	\$0.00	\$0.00	\$0.00
Mosquito Control	\$59.30	\$59.30	\$0.00	\$0.00
Fireworks	\$31.29	\$31.29	\$31.29	\$31.29
Fish Survey/Stocking	\$2.09	\$2.09	\$2.09	\$2.09
Water Testing	\$1.41	\$1.41	\$1.41	\$1.41
Weed Control	\$110.76	\$36.92	\$55.38	\$18.46
Subtotal	\$547.74	\$473.90	\$433.56	\$396.64
Waste Removal Service	\$210.24	\$210.24	\$0.00	\$0.00
2024 Total Dues	\$758	\$684	\$434	\$397
2024 Discounted Dues**	\$708	\$634	\$384	\$347
2023 Discounted Dues**	\$711	\$612	\$368	\$318
2022 Discounted Dues**	\$659	\$550	\$340	\$286

**** Discounted Dues - applies to dues received no later than March 31st, 2024**

Final 2024 Lake Shannon Association Dues Summary

Property Type	2024 Dues	2024**
Lake or Pond House	\$758	\$708
Off Lake House	\$684	\$634
Lake Lot	\$434	\$384
Off Lake Lot	\$397	\$347
1/2 Lake Lot	\$307	\$282
1/2 Off Lake Lot	\$289	\$264
1/3 Lake Lot	\$265	\$249
1/3 Off Lake Lot	\$253	\$237
2/3 Lake Lot	\$350	\$316
Total Budget	\$317,163	\$293,196

**** Discount applies to dues received no later than March 31st, 2024**