

Steeple Run Community Council 2016 – 2025 Ten-Year Financial Plan

SEPTEMBER 15, 2015

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Topics

1. What is the Steeple Run Community Council?
2. What is the SRCC Ten-Year Financial Plan?
3. What is the Estimated Common Area Asset Replacement Schedule?
4. What is the Plan's Impact on Resident Assessments?
5. Q&A

SRCC is not a Home Owners Association!

- ❑ The SRCC cannot settle private property disputes between residents
- ❑ The SRCC cannot force residents to keep private property lights in working order
- ❑ The SRCC has no jurisdiction over the maintenance of the parkways
- ❑ The SRCC has no authority to force residents to keep sidewalks shoveled during winter months



What is the SRCC?

- ❑ A non-profit organization that is governed by SRCC covenants & by-laws provided those documents do not contradict the State of IL Condominium Law
- ❑ A board of eleven members which have jurisdiction over the Steeple Run common areas & related assets
 - The board establishes budgets with assessment levels for maintaining the common areas and assets
 - The board can establish and approve documentation to further clarify the SRCC by-laws

SRCC Financial Planning Process

- ❑ Ten-Year SRCC Plan (updated yearly in July/August)
 - Focus on asset capital spending and assessment revenue needs
- ❑ Annual SRCC Budget (September/October)
 - Capital Spending from the Ten-Year Plan
 - Revenue including assessments and other income
 - Expenses budgeted for the financial year



SRCC Financial Transparency

- ❑ Ten-Year SRCC Plan Presentation
 - Two separate dates in September
- ❑ Annual SRCC Budget Presentation
 - Two separate dates in October
- ❑ Annual Budget in the SRCC Views
- ❑ Financial Status at the April SRCC Town Hall

Financial Status

SRCC Revenue Gap in 2025

Source of Revenue	Amount	Comment
Estimated Reserves (12/31/2015)	\$300,000	Revenue for Capital Spending
Budgeted Profits before Assessment increase(Income over expenses before Capital Reserve Spending) (2016 – 2025)	\$700,000	10 years of \$70,000 per year following the current budgeting pattern of profit before capital spending
Total Reserves (before spending)	\$1,000,000	Estimated with current trends
SRCC Estimated Revenue Gap	\$600,000	For the 2025 pool expenditure
Total Reserve in 2025 (before spending)	\$1,600,000	Reserve spending budget estimated to be \$1,540,000 for 2016-2025 leaving a reserve balance of \$60,000



Current Financial Status

Addressing the \$600,000 Revenue Gap

Option A – Pay Now
Pay \$600,000
(2016 – 2025)

Option B – \$100,000
Now (2016 – 2025)
And 5% Loan for 20
years (2026 – 2046)

Replace Pool with
a new pool or
other structure

Option C – Remove
Pool and no reuse of
the area – estimated
expense of \$250,000
(2016 – 2025)

The SRCC Board Approved **Option B** as the option to use in the 2016 Annual Budget.

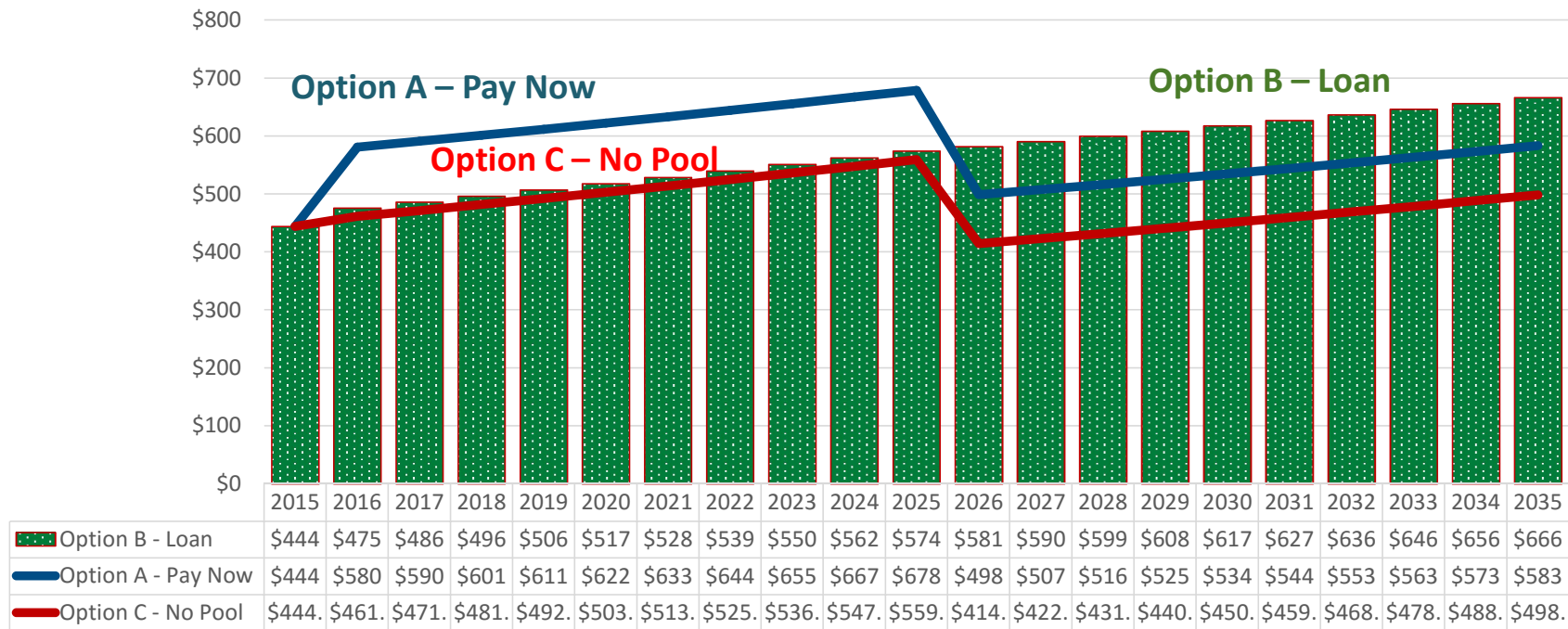
Asset Replacement Schedule – Projects 2016 - 2025

Project	Year	Budget
Swimming Pool	2025	\$1,000,000
Clubhouse Renovation	2016	\$190,000
Parking Lot	2017	\$70,000
Common Area Path	2015-2017	\$23,000
Other Projects (Back Deck, Heat/AC, Inside Pool Area, Pond Erosion, Furn., Equip., and Misc. Projects)	Multiple Years	\$257,000
Total		\$1,540,000

SRCC Asset Replacement Projects Detail (000)

Project	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
1-Renovate Boardroom		10															10
2-Renovate Office		10															10
3-Renovate Upper Level & Entry		170															170
4-New Pool Board & repairs 2015	0																0
5-Paint Pool	0																0
6-Common Area path Replace			23														23
7-Repair drain around pool	5																5
8-Treat Ponds				5													5
9- Upgrade Play Area					3												3
10-Furnance replacement Dstairs											10						10
11- Water Heater Dstairs Repl						2											2
12-Resurface/redesign Parking Lot			70														70
13-Old tennis Court area design																	0
14-Swimming Pool											1000						1000
15-Replace Deck out back								25									25
16-Pond eroision project					14												14
17-Renovate lower Pool level							25										25
18-Chairs/other pool area assets						4											4
19-Heating/Cooling main area						25											25
20-Office equipment upgrades			5												5		10
21-Furniture & related replacement			14												8		22
25-Misc Rec Center Needs		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	60
26-Misc Pool Needs		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	60
27-Misc Park Needs		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	60
Total	5	202	124	17	29	43	37	37	12	12	1022	12	12	12	25	12	1613

*SRCC Average Assessment Estimates 2016 through 2035



*1.75% annual Inflation rate assumption included, Loan of \$500,000 for 20 years at 5% starting in 2026 (\$39,597 expense per year)
Average Assessment = the average of those who take the early pay discount option and those that pay the full assessment

Q & A
