

Nachand Springs 2019 Budget Notes

The Nachand Springs Board is very pleased to announce that with some belt tightening we have been able to keep the adjustment to our monthly maintenance fee to 4.5%. This is quite remarkable when you consider the constraints (especially utility and tax increases show below that we had to build into our budget)

1. In 2018, the Louisville Water Company has requested a rate increase that ultimately was approved at 3.5% - We budgeted for 2019 using the same approved increase. (\$2,991 increase budgeted for water and sewer).
2. In 2018, the Metropolitan Sewer District (MSD) requested a rate increase for the next 4 years of 9.9% that ultimately was approved at 6.9%. We budgeted for 2019 using the same approved increase.
3. For 2019, the Louisville Gas and Electric Company (LG & E) has announced a rate increase of 3.09% for Electric and 7.57% for Gas. (\$575 increase budgeted for electric).
4. At the same time the State of Kentucky changed the way sales tax was charged for services which resulted in an increase of \$1,992 on our mowing contract (we now are required to pay sales tax on our Greenscapes contract). (\$1,992 increase budgeted for sales tax).
5. We have been told by our insurance company to expect a 3% increase in our rates for 2019. (\$960 increase budgeted for insurance).

These five items combine to add \$6,518 to our budget (a full 69% of the annual budgeted increase of \$9,481).

The Board was very pleased to be able to keep the maintenance fee increase to 4.5% at a time when utility and tax increases average 6%. We believe that this budget allows for properly maintaining the physical and financial long-term viability of our community. We need to all be aware that as our property ages we need to prepare for future large capital expenses (roads and roofs are the largest items). Everyone in the community should be happy to know that in the last 2 years thru the special \$400 per unit assessment and proactive cost control we have been able to increase our reserve to over \$200,000 which protects all our homes and investments!

The 4.5% equates to a monthly increase of \$10.35 on the average Nachand Springs home.