

Greenbelt Homes, Inc.

2023 Budget



- **October 13, 2022 - First Presentation to Finance Committee & Board of Directors**

GREENBELT HOMES, INC.
2023 BUDGET
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**THE PRESIDENT'S
MESSAGE GOES HERE!**

IMPORTANT CHANGES TO 2023 BUDGET

Real estate taxes have been budgeted to reflect the impact of the loss of the Homestead Tax Credit for units which will not be eligible to receive it in 2023

SIGNIFICANT INCREASES IN EXPENDITURES

Summary Budget

- Real estate taxes
- Insurance
- Maintenance improvements

Administrative – Schedule E

- Temp & professional help

Maintenance Expense – Schedule F

- Fringe benefits
- Materials
- Depreciation

Maintenance - Contract Work

- Landscape maintenance
- Parking lot repairs
- Swale/drainage improvements
- Repairs to stabilize foundation of masonry building 6F-H Hillside
- Tree maintenance & fertilization

Replacement Reserves

- Ceiling heaters
- Frame porch decks
- Water heater replacements
- Underground utility yard restorations
- Replace roofs on frame homes
- Replace roofs on rental garages
- Larger Homes HIP
- Replace roofs on attached garages
- Consultant to revise replacement reserve plan

Addition Maintenance Reserves

- In House
- Consultant to revise addition maintenance replacement reserve plan

SIGNIFICANT REDUCTIONS IN EXPENDITURES

Administrative – Schedule E

- Office equipment/supplies/postage
- Legal
- Depreciation

Replacement Reserves

- Purchase one van; one pick-up truck with snowplow (2)
- Repair retaining wall @ 2 Plateau

SUMMARY BUDGET OVERVIEW

The summary budget is a consolidation of income, expenses and equity for all three budget groups. It provides the basis for the cooperative's operations during 2023. All of the other documentation included as part of the budget presentation consists of supporting schedules and backup material. The summary budget identifies total receipts (income), expenses and equity.

As a cooperative operating on a not-for-profit basis, GHI must determine which expenses are necessary, then collect sufficient income to meet those expenses.

In accordance with the bylaws, increases in membership operating payments cannot exceed 10% of the prior year's operating payments without membership approval. The increase in membership operating payments for 2023 falls well within this limit and provides for enhanced services and improvements.

This budget reflects an increase in membership operating payments of 8.0%.

Operating payments consists of real estate taxes, trash collection, insurance, administration, maintenance and improvements, crawlspace improvements, asbestos remediation and replacement reserves, less service and other income.

GREENBELT HOMES, INC.
2023 BUDGET
SUMMARY

	2022 Yr End Projection	2022 Budget	Proposed 2023 Budget	%	Schedule
RECEIPTS:					
<u>Members' charges:</u>					
Operating charges	\$ 5,660,935	\$ 5,660,935	\$ 6,143,240	8.5%	
Real estate taxes	4,804,511	4,622,651	5,300,852	14.7%	
Crawlspace improvements	160,000	160,000	-	-100.0%	
Asbestos remediation	60,000	60,000	-	-100.0%	
Replacement reserves	2,126,364	2,126,364	2,199,811	3.5%	
Total members' charges	<u>12,811,809</u>	<u>12,629,950</u>	<u>13,643,903</u>	8.0%	A
<u>Other income sources:</u>					
Service income	581,880	577,660	612,190	6.0%	B
Other income	301,340	343,620	361,340	5.2%	B
Total other income sources	<u>883,220</u>	<u>921,280</u>	<u>973,530</u>	5.7%	
Members' charges and other income	<u>\$ 13,695,029</u>	<u>\$ 13,551,230</u>	<u>\$ 14,617,433</u>	7.9%	
<u>Miscellaneous receipts:</u>					
Addition maintenance reserves	204,590	204,590	208,270	1.8%	G
Total receipts	<u>\$ 13,899,619</u>	<u>\$ 13,755,820</u>	<u>\$ 14,825,703</u>		
EXPENSES:					
Real estate taxes	4,804,511	4,622,651	5,300,852	14.7%	C
Trash collection	429,076	452,750	461,800	2.0%	A
Insurance	652,150	566,040	749,970	32.5%	D
Adm/Brd/Memb	1,522,201	1,561,325	1,597,515	2.3%	E
Maintenance & improvements	3,750,285	4,002,100	4,307,485	7.6%	F
Total expenses	<u>11,158,223</u>	<u>11,204,866</u>	<u>12,417,622</u>	10.8%	
EQUITY:					
Replacement reserves	2,126,364	2,126,364	2,199,811	3.5%	G
Addition maintenance reserves	204,590	204,590	208,270	1.8%	G
Total reserves	<u>2,330,954</u>	<u>2,330,954</u>	<u>2,408,081</u>	3.3%	
Total expenses & reserves	<u>\$ 13,489,176</u>	<u>\$ 13,535,820</u>	<u>\$ 14,825,703</u>	9.5%	
Unreserved operating fund	502,918	220,000	-	-100.0%	
Total expense & equity	<u>\$ 13,992,094</u>	<u>\$ 13,755,820</u>	<u>\$ 14,825,703</u>		
Depr - member units	<u>1,238,900</u>	<u>1,214,000</u>	<u>1,331,100</u>	9.6%	

	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%	6.0%	6.5%	7.0%
	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	2023 Budget	2023 Budget	2023 Budget	2023 Budget	2023 Budget	2023 Budget	2023 Budget	2023 Budget	2023 Budget
RECEIPTS:									
Members' charges:									
Operating charges	\$ 6,234,530	\$ 6,249,800	\$ 6,265,070	\$ 6,280,330	\$ 6,295,390	\$ 6,310,560	\$ 6,325,820	\$ 6,341,190	\$ 6,356,460
Real estate taxes	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852
Crawlspace improvements	-	-	-	-	-	-	-	-	-
Asbestos remediation	-	-	-	-	-	-	-	-	-
Replacement reserves	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811
Total members' charges	13,735,193	13,750,463	13,765,733	13,780,993	13,796,053	13,811,223	13,826,483	13,841,853	13,857,123
Other Sources:									
Service income	612,190	612,190	612,190	612,190	612,190	612,190	612,190	612,190	612,190
Other income	361,340	361,340	361,340	361,340	361,340	361,340	361,340	361,340	361,340
Total other sources	973,530	973,530	973,530	973,530	973,530	973,530	973,530	973,530	973,530
Total receipts	\$ 14,708,723	\$ 14,723,993	\$ 14,739,263	\$ 14,754,523	\$ 14,769,583	\$ 14,784,753	\$ 14,800,013	\$ 14,815,383	\$ 14,830,653
Addition maintenance reserves	208,270	208,270	208,270	208,270	208,270	208,270	208,270	208,270	208,270
Total receipts	\$ 14,916,993	\$ 14,932,263	\$ 14,947,533	\$ 14,962,793	\$ 14,977,853	\$ 14,993,023	\$ 15,008,283	\$ 15,023,653	\$ 15,038,923
EXPENSES:									
Real estate taxes	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852
Trash collection	461,800	461,800	461,800	461,800	461,800	461,800	461,800	461,800	461,800
Insurance	749,970	749,970	749,970	749,970	749,970	749,970	749,970	749,970	749,970
Adm/Brd/Memb	1,625,605	1,630,275	1,635,045	1,639,705	1,644,365	1,649,035	1,653,695	1,658,465	1,663,135
Maintenance & improvements	4,370,685	4,381,285	4,391,785	4,402,385	4,412,785	4,423,285	4,433,885	4,444,485	4,455,085
Total expenses	12,508,912	12,524,182	12,539,452	12,554,712	12,569,772	12,584,942	12,600,202	12,615,572	12,630,842
EQUITY:									
Replacement reserves	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811
Addition maintenance reserves	208,270	208,270	208,270	208,270	208,270	208,270	208,270	208,270	208,270
Total reserves	2,408,081	2,408,081	2,408,081	2,408,081	2,408,081	2,408,081	2,408,081	2,408,081	2,408,081
Total expenses & reserves	\$ 14,916,993	\$ 14,932,263	\$ 14,947,533	\$ 14,962,793	\$ 14,977,853	\$ 14,993,023	\$ 15,008,283	\$ 15,023,653	\$ 15,038,923
Unreserved operating fund	-	-	-	-	-	-	-	-	-
Total expense & equity	\$ 14,916,993	\$ 14,932,263	\$ 14,947,533	\$ 14,962,793	\$ 14,977,853	\$ 14,993,023	\$ 15,008,283	\$ 15,023,653	\$ 15,038,923
Depr - member units	1,331,100	1,331,100	1,331,100	1,331,100	1,331,100	1,331,100	1,331,100	1,331,100	1,331,100

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DISTRIBUTION OF 2023 MEMBERS' CHARGES

Schedule A illustrates how total members' charges are distributed among the three budget classes created by GHI's Mutual Ownership Contracts. Since real estate taxes are determined based on the actual real estate tax bill, not all members within the particular budget class (frame, masonry, & larger homes) will increase by the same percentage.

For 2023 the total members' charges are reduced \$973,530 by service and other income (see Schedule B).

ABBREVIATIONS USED IN TEXT

- | | |
|------------|---|
| 1) GHI = | Greenbelt Homes, Inc. |
| 2) GDC = | Greenbelt Development Corporation |
| 3) ADM = | Administration expense |
| 4) BRD = | Board expense |
| 5) MEMB = | Members expense |
| 6) MAINT= | Maintenance |
| 7) FFS = | Fee For Service |
| 8) RR = | Replacement reserves |
| 9) HIP = | Homes Improvement Program |
| 10) HTC = | Homestead tax credit |
| 11) s/s = | Service side |
| 12) g/s = | Garden side |
| 13) c/a = | Common area |
| 14) EPDM = | Ethylene Propylene Diene Monomer rubber roofing |

GREENBELT HOMES, INC.
2023 BUDGET
DISTRIBUTION OF 2023 MEMBERS' CHARGES

Schedule A

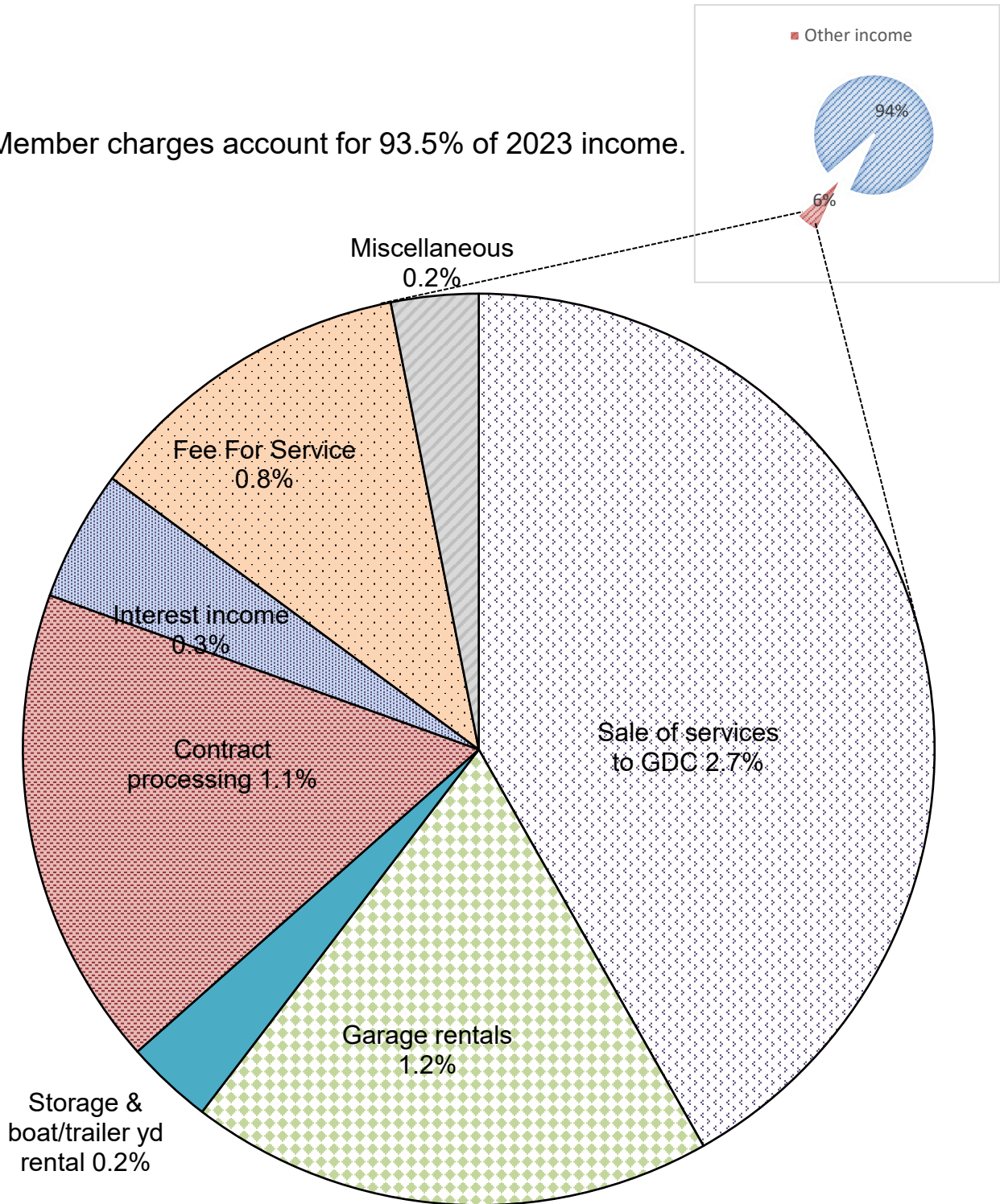
	FRAME HOMES		MASONRY HOMES		LARGER HOMES		TOTAL CHARGES		% Change
	2022	2023	2022	2023	2022	2023	2022	2023	
<u>Routine Operating Payments</u>									
Real estate taxes	\$ 2,524,890	\$ 2,838,712	\$ 1,949,861	\$ 2,295,429	\$ 147,900	\$ 166,711	\$ 4,622,651	\$ 5,300,852	14.7%
Trash collection	280,705	286,316	163,895	167,171	8,150	8,312	452,750	461,800	2.0%
Insurance	350,945	464,981	204,906	271,489	10,189	13,499	566,040	749,970	32.5%
Adm/Brd/Memb	968,022	990,459	565,200	578,300	28,104	28,755	1,561,325	1,597,515	2.3%
Maint and improvements	2,454,746	2,629,019	1,470,085	1,595,817	77,269	82,649	4,002,100	4,307,485	7.6%
Crawlspace improvements	160,000	-	-	-	-	-	160,000	-	-100.0%
Asbestos remediation	60,000	-	-	-	-	-	60,000	-	-100.0%
Transfers to reserves (RR)	1,166,448	1,206,107	918,781	950,020	41,134	43,684	2,126,364	2,199,811	3.5%
Total charges	7,965,756	8,415,594	5,272,728	5,858,226	312,746	343,610	13,551,230	14,617,433	7.9%
Less service & other income	571,194	603,589	320,888	352,418	16,583	17,524	921,280	973,530	5.7%
Total operating payments	\$ 7,394,562	\$ 7,812,006	\$ 4,951,840	\$ 5,505,809	\$ 296,163	\$ 326,087	\$ 12,629,950	\$ 13,643,903	8.0%
<u>Addition Maintenance Program</u>									
Transfers to reserves (AM)	117,848	119,968	86,142	87,691	600	611	204,590	208,270	1.8%
Total members' charges	\$ 7,512,410	\$ 7,931,974	\$ 5,037,982	\$ 5,593,500	\$ 296,763	\$ 326,698	\$ 12,834,540	\$ 13,852,173	7.9%
% avg. change in operating payments		5.6%		11.2%		10.1%		8.0%	
% avg. change in members' charges		5.6%		11.0%		10.1%		7.9%	
% average change in real estate taxes ¹		12.4%		17.7%		12.7%		14.7%	
% change in transfer to reserves		3.3%		3.3%		6.1%		3.3%	

¹ The variation in percent change between home groups reflects the impact of actual assessed values of homes and the HTC for members who are eligible. The 2023 budgeted real estate taxes by home group are a summation of individual unit real estate taxes for that particular home group and include the benefit of any HTC. Not all members within a home group are impacted equally.

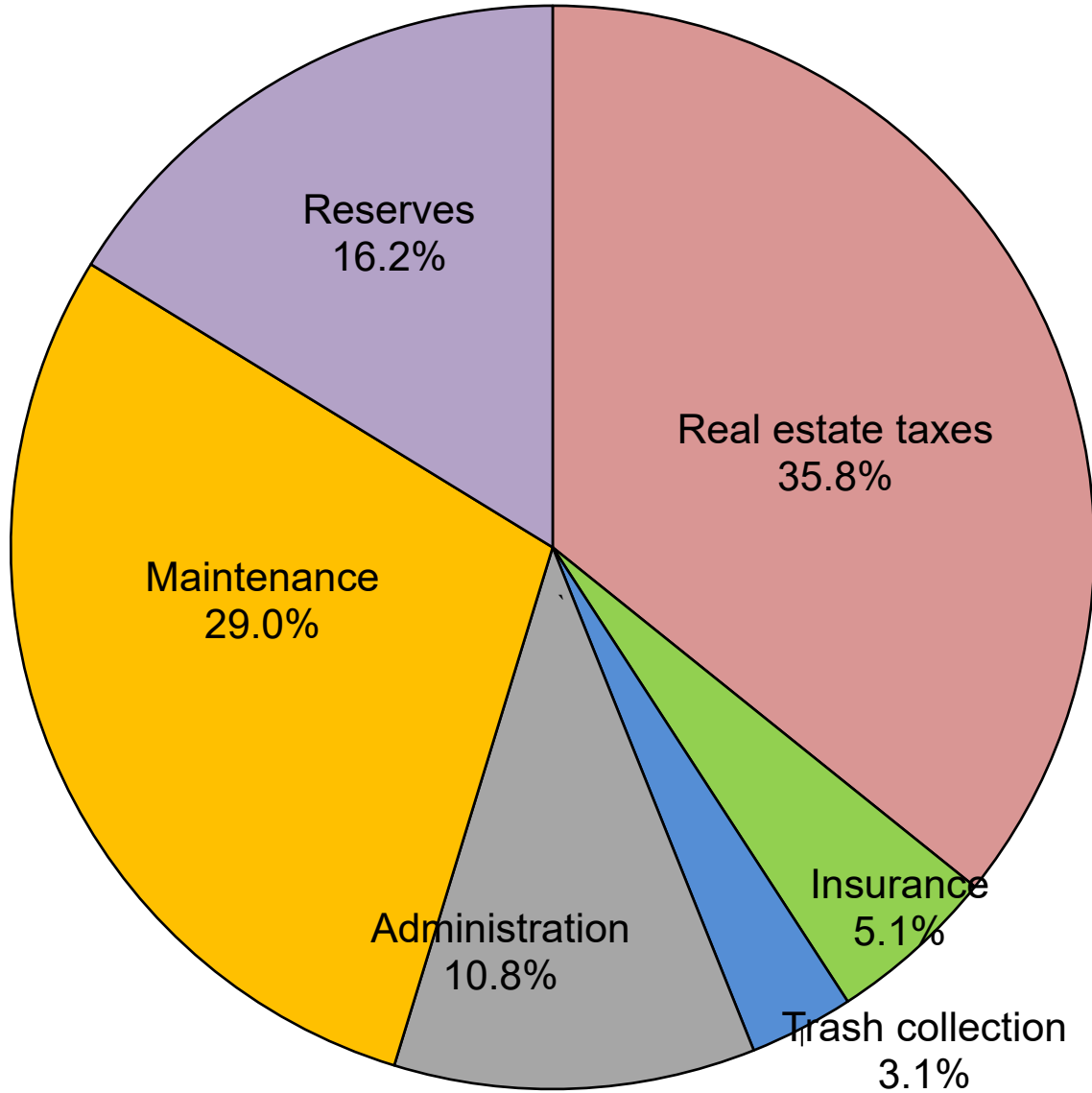
	Increase 3.0%	Increase 3.5%	Increase 4.0%	Increase 4.5%	Increase 5.0%	Increase 5.5%	Increase 6.0%	Increase 6.5%	Increase 7.0%
Real estate taxes	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852	5,300,852
Trash collection	461,800	461,800	461,800	461,800	461,800	461,800	461,800	461,800	461,800
Insurance	749,970	749,970	749,970	749,970	749,970	749,970	749,970	749,970	749,970
Adm/Brd/Memb	1,625,605	1,630,275	1,635,045	1,639,705	1,644,365	1,649,035	1,653,695	1,658,465	1,663,135
Maint and improvements	4,370,685	4,381,285	4,391,785	4,402,385	4,412,785	4,423,285	4,433,885	4,444,485	4,455,085
Crawlspace improvements	-	-	-	-	-	-	-	-	-
Asbestos remediation	-	-	-	-	-	-	-	-	-
Transfers to reserves (RR)	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811	2,199,811
Total charges	14,708,723	14,723,993	14,739,263	14,754,523	14,769,583	14,784,753	14,800,013	14,815,383	14,830,653
Less service & other income	973,530	973,530	973,530	973,530	973,530	973,530	973,530	973,530	973,530
Total operating payments	\$ 13,735,193	\$ 13,750,463	\$ 13,765,733	\$ 13,780,993	\$ 13,796,053	\$ 13,811,223	\$ 13,826,483	\$ 13,841,853	\$ 13,857,123
Addition Maintenance Program									
Transfers to reserves (AM)	208,270	208,270	208,270	208,270	208,270	208,270	208,270	208,270	208,270
Total members' charges	\$ 13,943,463	\$ 13,958,733	\$ 13,974,003	\$ 13,989,263	\$ 14,004,323	\$ 14,019,493	\$ 14,034,753	\$ 14,050,123	\$ 14,065,393
% avg. change in operating payments	8.8%	8.9%	9.0%	9.1%	9.2%	9.4%	9.5%	9.6%	9.7%
% avg. change in members' charges	8.6%	8.8%	8.9%	9.0%	9.1%	9.2%	9.4%	9.5%	9.6%
% average change in real estate taxes	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
% change in transfer to reserves	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
\$ amount increased over base salaries	\$ 91,290	\$ 106,560	\$ 121,830	\$ 137,090	\$ 152,150	\$ 167,320	\$ 182,580	\$ 197,950	\$ 213,220
% avg. change in operating payments by home type									
Frame	6.4%	6.5%	6.7%	6.8%	6.9%	7.0%	7.2%	7.3%	7.4%
Masonry	11.9%	12.0%	12.1%	12.2%	12.3%	12.4%	12.5%	12.6%	12.7%
Larger	10.7%	10.8%	10.8%	10.9%	11.0%	11.1%	11.2%	11.3%	11.4%

2023 BUDGET INCOME

Member charges account for 93.5% of 2023 income.



2023 BUDGET EXPENSES AND RESERVES



GREENBELT HOMES, INC.
2023 BUDGET
SERVICE AND OTHER INCOME NARRATIVE

SERVICE INCOME

Service income of Schedule B is derived from 3 sources: sale of services to Greenbelt Development Corporation, rental garages, rental of boiler room storage, and rented space in the boat/trailer yards.

Sale of services to GDC - GDC will pay a portion of the annual audit, insurance, legal and a management fee to GHI.

Garage rentals - The monthly rent for closed garages @\$55/month; open garages @\$32/month; and garages used for storage @\$108/month, all remain the same in 2023.

Boiler room storage - The rent for units at 8,9, and 10 Southway and 14 Ridge (4 each) remains unchanged @\$110/month in 2023.

Boat/trailer yard rental - The rent for boat/trailer slots @\$27/month and canoes slots @\$5/month also remain unchanged for 2023.

OTHER INCOME

Other income of Schedule B consists of contract processing, interest income, Fee For Service revenue and miscellaneous income from various activities.

Contract processing - Consists of membership fees paid by new members and the processing fees on resales. The 2023 budget reflects administrative fees of \$1,060 (seller), \$685 (membership) \$85 (MOC change), and a \$510 transfer fee and is based on 95 resales.

Interest income - This item consists of interest earned on accounts and investments net of those held for specific reserves. Projected interest from investments is \$385,000 less interest for specific reserves \$337,400, result in interest income available for operations of \$47,600.

Fee For Service - This income consists of an hourly component charged when services are provided by in-house staff and an administration component when services are contracted to outside companies. Expense relating to FFS activities have been budgeted in general maintenance and contract work.

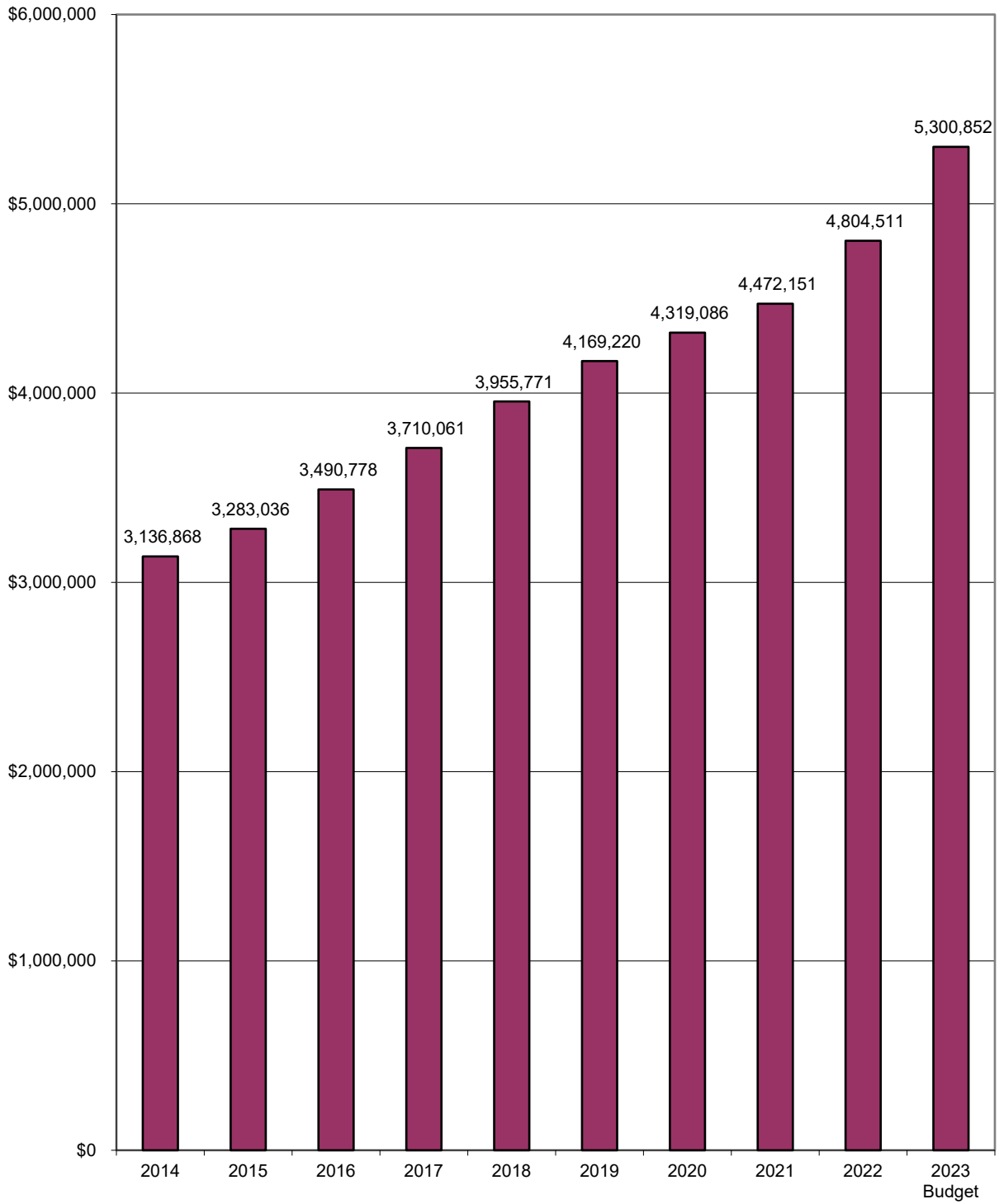
Miscellaneous - This item includes proceeds from recycling of scrap metal of \$3K, late fees paid by members of \$18K, and various other miscellaneous receipts of \$12.1K.

GREENBELT HOMES, INC.
2023 BUDGET
SERVICE AND OTHER INCOME

Schedule B

	<u>2022 Yr End Projection</u>	<u>2022 Budget</u>	<u>Proposed 2023 Budget</u>	<u>% Change</u>
<u>Service Income</u>				
Sale of services to GDC	\$ 376,980	\$ 376,980	\$ 407,290	8.0%
Garage rentals	176,500	173,480	176,500	1.7%
Storage & boat/trailer yd rental	<u>28,400</u>	<u>27,200</u>	<u>28,400</u>	4.4%
Total service income	<u>\$ 581,880</u>	<u>\$ 577,660</u>	<u>\$ 612,190</u>	6.0%
 <u>Other Income</u>				
Contract processing	\$ 165,840	\$ 178,270	\$ 169,390	-5.0%
Interest income	19,000	11,000	47,600	>100.0%
Fee For Service	86,500	121,250	111,250	-8.2%
Miscellaneous	<u>30,000</u>	<u>33,100</u>	<u>33,100</u>	0.0%
Total other income	<u>\$ 301,340</u>	<u>\$ 343,620</u>	<u>\$ 361,340</u>	5.2%

REAL ESTATE TAXES



GREENBELT HOMES, INC.
2023 BUDGET
REAL ESTATE TAXES

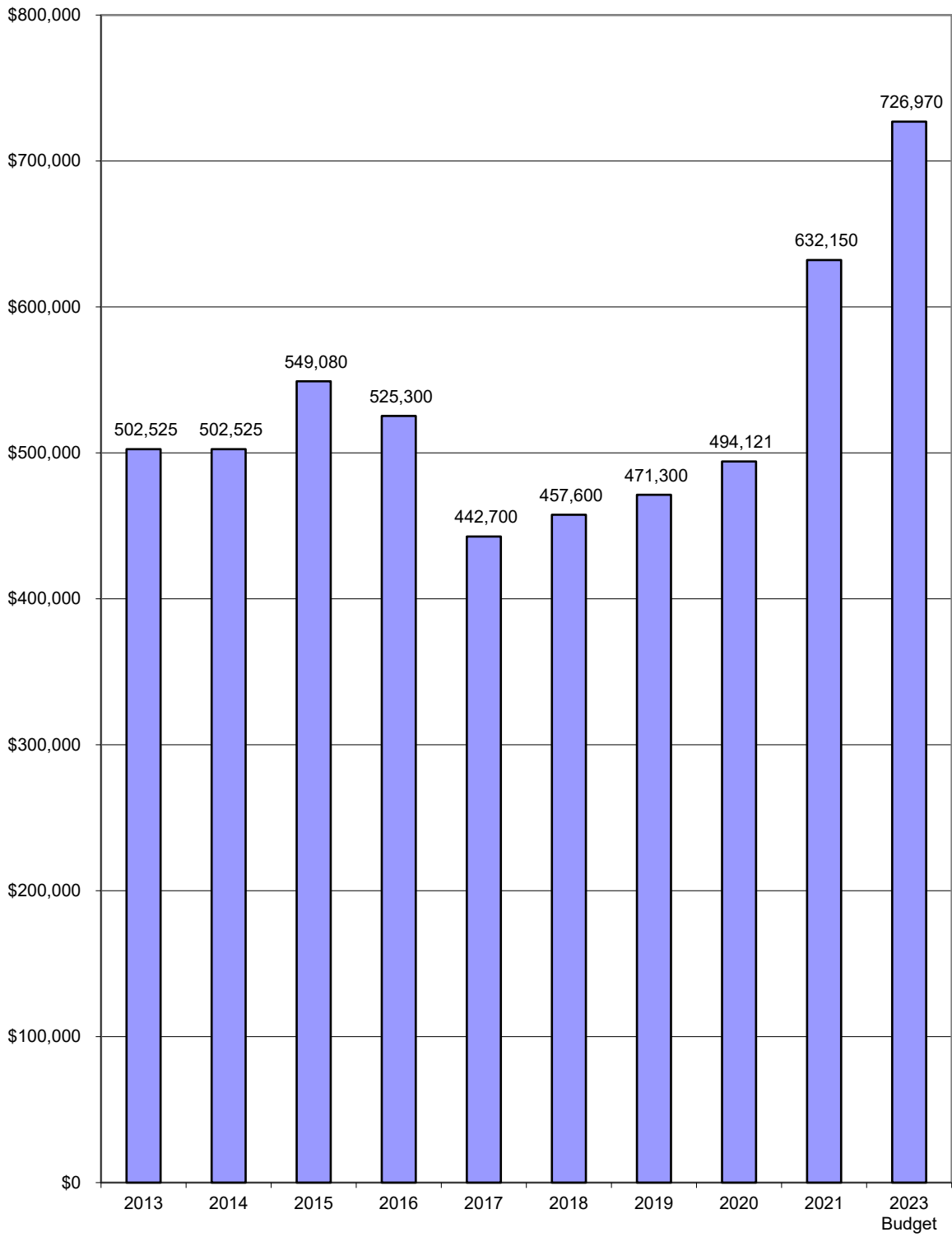
Schedule C

	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Proposed 2023 Budget</u>	<u>% Change</u>
Real estate assessment	\$ 267,274,258	\$ 249,895,300	\$ 284,729,846	13.9%
Tax rate (per \$100 assessed)	2.0101	2.0361	2.0451	0.4%
Total real estate tax	<u>\$ 4,804,511</u>	<u>\$ 4,622,651</u>	<u>\$ 5,300,852</u>	14.7%
Taxes excluding HTC	\$ 5,372,481	\$ 5,088,118	\$ 5,823,011	
Savings from HTC	\$ 567,970	\$ 465,467	\$ 522,159	

If the cooperative were not eligible to receive the HTC, GHI's real estate taxes would have been \$5,372,481 for 2022. The HTC assisted in reducing GHI's total real estate taxes by \$567,970. Individual member real estate tax responsibility will vary due to several factors including timing of eligibility of the HTC and assessed home value. Not all members within a home group are impacted equally.

<u>Historic Data</u>	<u>Tax Rates per \$100</u>	<u>Assessment</u>
2014 Actual	1.9481	182,462,318
2015 Actual	2.0001	183,318,500
2016 Actual	1.9981	198,919,264
2017 Actual	1.9931	214,528,737
2018 Actual	1.9881	223,047,200
2019 Actual	1.9971	267,281,791
2020 Actual	2.0101	267,274,258
2021 Actual	1.9916	249,895,300
2022 Actual	2.0101	267,274,258
2023 Budget	2.0451	284,729,846

TOTAL INSURANCE



GREENBELT HOMES, INC.
2023 BUDGET
INSURANCE

Schedule D

	2022 Yr End Projection	2022 Budget	Proposed 2023 Budget	% Change
<u>INSURANCE</u>				
Hazard & extended coverage (General liability, umbrella, D&O liability, and property damage)	\$ 632,150	\$ 546,040	\$ 726,970	33.1%
Uninsured losses	20,000	20,000	23,000	15.0%
Total to insurance (Does not include vehicle & workers' compensation)	652,150	566,040	749,970	32.5%
* Workers' compensation (included in fringe benefits)	172,500	158,800	198,380	24.9%
TOTAL	\$ 824,650	\$ 724,840	\$ 948,350	30.8%

* This item is included in maintenance schedules.

GREENBELT HOMES, INC.
2023 BUDGET
ADMINISTRATION/BOARD/MEMBER EXPENSE NARRATIVE

Schedule E – Provides a list of expenses of the administrative staff, Board of Directors, elected and appointed committees, and membership activities and services.

Payroll - Administration – (Decreased from 2022 budget of \$912,400 to \$896,600). This item reflects no salary increase at existing staff levels.

Fringe Benefits – (Increased from 2022 budget of \$231,250 to \$249,190). This item is based on employers' portion of 2023 health insurance premiums with Cigna. Also included are premiums for dental, life, and short and long-term disability. GHI employees contribute 10% of the cost of their medical/dental insurance premiums.

Office Equipment, Supplies & Postage – (Decreased from 2022 of \$35,500 to \$31,500). Items included in this category: member communications, computer supplies, technical service supplies, postage, and in-house printing on GHI equipment.

Copier Expense – (Decreased from 2022 budget of \$15,250 to \$15,000). This item reflects our current copier contracts and usage levels.

Telephone & Email – (No change from 2022 budget of \$38,200). This item reflects the costs associated with current communication services from the following: Mitel (\$11.5K), Answer MTI (\$8K), Verizon (\$2.3K), ATT (\$2K), and an additional fee for mobile radios (\$14.4K).

Hiring and Training – (No change from 2022 budget of \$25,500.) Advertising costs to fill vacant positions of \$15,000, classes, seminars and workshops for maintenance and administrative personnel of \$4,000. Also included are pre-employment and random drug screening totaling \$1,000 as well as staff incentive awards of \$5,500.

Temporary and Professional Help – (Increased from the 2022 budget of \$21,900 to \$67,500). This amount consists of \$10,500 for payroll services, \$2,000 for temporary help, \$7,500 for industrial hygienist services, \$10,000 for drainage & swale engineering services, and \$37,500 for a consultant to re-write the Member Handbook and Board Policies.

Legal – (Decreased from 2022 budget of \$28,000 to \$24,000). This item represents anticipated legal issues to be encountered by the cooperative.

Audit – (No change from 2022 budget of \$19,000). This reflects the anticipated cost of accounting and tax services.

Association Dues and Conferences – (No change from 2022 budget of \$2,500). This item includes the following memberships: Community Association Managers International Certification Board \$350, the Community Association Institute (CAI) \$850, and the National Association of Housing Cooperatives (NAHC) \$1,300.

Staff Events – (No change from 2022 budget of \$6,500). Even though staff may not conduct events in the same manner as in previous years, it is critically important to find creative ways to engage staff and keep morale high during these unprecedented times.

GREENBELT HOMES, INC.
2023 BUDGET
ADMINISTRATION/BOARD/MEMBER EXPENSE NARRATIVE (cont.)

Board/Audit/Committees – (Increased from 2022 budget of \$51,975 to \$54,535). Architectural Review Committee remains \$700; Audit Committee \$7,500; Bicycle Committee increased from \$1,375 to \$3,320; Communications Committee remains \$250; Companion Animal increased from \$710 to \$750; Member Outreach remains \$4,000; Nominations and Elections increased from \$1,705 to \$2,100; Transition Task Force new for 2023 at \$7,500; Woodlands increased from \$2,100 to \$5,015; stipends for Board and Audit Committee \$21,900; Board strategic planning and training remains at \$1,500.

Member Expenses – (Increased from 2022 budget of \$7,500 to \$8,000). This line items consists of the annual meeting \$6,000; News Review ads \$2,000.

Utilities – (Decreased from the 2022 budget of \$26,000 to \$23,500). This item includes heat, electricity and water for the office buildings and assumes the full year benefit from the power purchase agreement.

Personal Property Taxes – (No change from the 2022 budget of \$5,500).

Depreciation – (Decreased from 2022 budget of \$28,800 to \$24,940). This item reflects depreciation of existing capitalized assets.

Other – (Decreased from 2022 budget of \$7,850 to \$6,750). This item includes fees to professional organizations to maintain staff designations and professional relationships and bank service charges.

Information Technology Services – (Increased from 2022 budget of \$97,200 to \$98,800). This item includes outsourced support, maintenance, and remote backup services for computer software), a new fully integrated property management and maintenance system, and human resources information system and web hosting.

GREENBELT HOMES, INC.
2023 BUDGET
ADMINISTRATION/BOARD/MEMBERSHIP EXPENSE SUMMARY

	<u>Schedule E</u>			
	<u>2022 Yr End Projection</u>	<u>2022 Budget</u>	<u>Proposed 2023 Budget</u>	<u>% Change</u>
EXPENSES				
Payroll-Administration	\$ 898,220	\$ 912,400	\$ 896,600	-1.7%
Fringe benefits	210,000	231,250	249,190	7.8%
Office equipment/supplies/postage	31,000	35,500	31,500	-11.3%
Copier expense	14,800	15,250	15,000	-1.6%
Telephone & email	38,200	38,200	38,200	0.0%
Hiring and training	27,980	25,500	25,500	0.0%
Temp & professional help	42,000	21,900	67,500	>100.0%
Legal	23,500	28,000	24,000	-14.3%
Audit	19,000	19,000	19,000	0.0%
Association dues & conferences	4,585	2,500	2,500	0.0%
Staff events	6,500	6,500	6,500	0.0%
Board/Audit/Committees	43,835	51,975	54,535	4.9%
Member expenses	8,000	8,000	8,000	0.0%
Utilities	24,900	26,000	23,500	-9.6%
Personal property taxes	5,681	5,500	5,500	0.0%
Depreciation	23,100	28,800	24,940	-13.4%
Other	6,600	7,850	6,750	-14.0%
Information technology services	94,300	97,200	98,800	1.6%
Total Administration	<u>\$ 1,522,201</u>	<u>\$ 1,561,325</u>	<u>\$ 1,597,515</u>	2.3%

Schedule E (continued)

	Increase 3.0%	Increase 3.5%	Increase 4.0%	Increase 4.5%	Increase 5.0%	Increase 5.5%	Increase 6.0%	Increase 6.5%	Increase 7.0%
EXPENSES									
Payroll-Administration	\$ 921,900	\$ 926,100	\$ 930,400	\$ 934,600	\$ 938,800	\$ 943,000	\$ 947,200	\$ 951,500	\$ 955,700
Fringe benefits	251,980	252,450	252,920	253,380	253,840	254,310	254,770	255,240	255,710
Office equipment/supplies/postage	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500
Copier expense	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Telephone & email	38,200	38,200	38,200	38,200	38,200	38,200	38,200	38,200	38,200
Hiring and training	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
Temp & professional help	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500
Legal	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Audit	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Association dues & conferences	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Staff events	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Board/Audit/Committees	54,535	54,535	54,535	54,535	54,535	54,535	54,535	54,535	54,535
Member expenses	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Utilities	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500
Personal property taxes	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Depreciation	24,940	24,940	24,940	24,940	24,940	24,940	24,940	24,940	24,940
Other	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750
Information technology services	98,800	98,800	98,800	98,800	98,800	98,800	98,800	98,800	98,800
Total Administration	\$ 1,625,605	\$ 1,630,275	\$ 1,635,045	\$ 1,639,705	\$ 1,644,365	\$ 1,649,035	\$ 1,653,695	\$ 1,658,465	\$ 1,663,135
	4.1%	4.4%	4.7%	5.0%	5.3%	5.6%	5.9%	6.2%	6.5%

GREENBELT HOMES, INC.
2023 BUDGET
ROUTINE MAINTENANCE & IMPROVEMENTS EXPENSE SUMMARY

	<u>2022 Yr End Projection</u>	<u>2022 Budget</u>	<u>Proposed 2023 Budget</u>	<u>% Change</u>
				<u>Schedule F</u>
Payroll - maintenance	\$ 1,829,250	\$ 2,117,000	\$ 2,113,300	-0.2%
Fringe benefits	700,600	713,600	841,700	18.0%
Materials	317,160	264,300	318,500	20.5%
Subtotal	<u>2,847,010</u>	<u>3,094,900</u>	<u>3,273,500</u>	5.8%
 Contract work	 <u>704,075</u>	 <u>704,075</u>	 <u>828,350</u>	 17.7%
 Vehicle & equipment expense	 121,800	 130,225	 122,225	 -6.1%
Dumpsters	31,800	30,000	32,000	6.7%
Uniforms	17,600	17,000	18,000	5.9%
Sub-meter court lighting	9,600	10,000	10,000	0.0%
Depreciation	<u>18,400</u>	<u>15,900</u>	<u>23,410</u>	47.2%
 Total Maintenance	 <u>\$ 3,750,285</u>	 <u>\$ 4,002,100</u>	 <u>\$ 4,307,485</u>	 7.6%

	<u>2022 Yr End Projection</u>	<u>2022 Budget</u>	<u>Proposed 2023 Budget</u>	<u>% Change</u>
				<u>Schedule F-1</u>
<u>FRAME HOMES</u>				
Total frame expenses	<u>\$ 2,325,177</u>	<u>\$ 2,454,746</u>	<u>\$ 2,629,019</u>	7.1%
<u>MASONRY HOMES</u>				
Total masonry expenses	<u>1,357,603</u>	<u>1,470,085</u>	<u>1,595,817</u>	8.6%
<u>LARGER HOMES</u>				
Total larger homes expenses	<u>67,505</u>	<u>77,269</u>	<u>82,649</u>	7.0%
 Total Maintenance	 <u>\$ 3,750,285</u>	 <u>\$ 4,002,100</u>	 <u>\$ 4,307,485</u>	 7.6%

Schedule F (continued)

	Increase 3.0%	Increase 3.5%	Increase 4.0%	Increase 4.5%	Increase 5.0%	Increase 5.5%	Increase 6.0%	Increase 6.5%	Increase 7.0%
Payroll - maintenance	\$ 2,171,700	\$ 2,181,500	\$ 2,191,200	\$ 2,201,000	\$ 2,210,700	\$ 2,220,400	\$ 2,230,200	\$ 2,239,900	\$ 2,249,700
Fringe benefits	846,500	847,300	848,100	848,900	849,600	850,400	851,200	852,100	852,900
Materials	318,500	318,500	318,500	318,500	318,500	318,500	318,500	318,500	318,500
Subtotal	3,336,700	3,347,300	3,357,800	3,368,400	3,378,800	3,389,300	3,399,900	3,410,500	3,421,100
Contract work	828,350	828,350	828,350	828,350	828,350	828,350	828,350	828,350	828,350
Vehicle expense	122,225	122,225	122,225	122,225	122,225	122,225	122,225	122,225	122,225
Dumpsters	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Uniforms	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Sub-meter court lighting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Depreciation	23,410	23,410	23,410	23,410	23,410	23,410	23,410	23,410	23,410
Total Maintenance	\$ 4,370,685	\$ 4,381,285	\$ 4,391,785	\$ 4,402,385	\$ 4,412,785	\$ 4,423,285	\$ 4,433,885	\$ 4,444,485	\$ 4,455,085
	9.2%	9.5%	9.7%	10.0%	10.3%	10.5%	10.8%	11.1%	11.3%

Schedule F-1 (continued)

	Increase 3.0%	Increase 3.5%	Increase 4.0%	Increase 4.5%	Increase 5.0%	Increase 5.5%	Increase 6.0%	Increase 6.5%	Increase 7.0%
<u>FRAME HOMES</u>									
Total frame expenses	\$ 2,668,203	\$ 2,674,775	\$ 2,681,285	\$ 2,687,857	\$ 2,694,305	\$ 2,700,815	\$ 2,707,387	\$ 2,713,959	\$ 2,720,531
	8.7%	9.0%	9.2%	9.5%	9.8%	10.0%	10.3%	10.6%	10.8%
<u>MASONRY HOMES</u>									
Total masonry expenses	\$ 1,618,696	\$ 1,622,533	\$ 1,626,334	\$ 1,630,171	\$ 1,633,936	\$ 1,637,737	\$ 1,641,574	\$ 1,645,411	\$ 1,649,249
	10.1%	10.4%	10.6%	10.9%	11.1%	11.4%	11.7%	11.9%	12.2%
<u>LARGER HOMES</u>									
Total larger expenses	\$ 83,787	\$ 83,977	\$ 84,166	\$ 84,357	\$ 84,544	\$ 84,733	\$ 84,924	\$ 85,115	\$ 85,305
	8.4%	8.7%	8.9%	9.2%	9.4%	9.7%	9.9%	10.2%	10.4%
Total Maintenance	\$ 4,370,686	\$ 4,381,285	\$ 4,391,785	\$ 4,402,385	\$ 4,412,785	\$ 4,423,285	\$ 4,433,885	\$ 4,444,485	\$ 4,455,085

GREENBELT HOMES, INC.
2023 BUDGET
PROPOSED CONTRACTS (ROUTINE MAINTENANCE)

	Budget 2022	Budget 2023	% Change
<u>Maintenance - Contract Work</u> (Schedule F, Line 4)			
Asbestos tile removal (masonry homes)	\$ 2,000	\$ 2,000	0.0%
Bathtub reglazing (40)	18,000	20,000	11.1%
Fire & burglar alarm system monitoring & repairs	5,100	5,500	7.8%
Fire extinguisher servicing (administration building)	650	750	15.4%
Fee for service contracted work	69,000	67,000	-2.9%
Gutter cleaning (Spring and Fall)	77,000	82,000	6.5%
Janitorial services (administration building)	26,750	27,000	0.9%
Landscape maintenance	67,275	85,000	26.3%
Parking lot repairs (minor repairs)	45,500	62,000	36.3%
Pest extermination	36,000	36,000	0.0%
Power cleaning of storm mains	5,000	5,000	0.0%
Repairs HVAC units at larger homes	8,000	8,500	6.3%
Repairs to exterior walls of masonry homes	75,000	45,000	-40.0%
Structural foundation repairs to five frame buildings	54,800	60,000	9.5%
Swale/drainage improvements	25,000	40,000	60.0%
Installation of lighting 10 Ct. Southway	5,000	-	-100.0%
Repairs to stabilize foundation of masonry bldg. 6F-H Hillside	-	57,600	N/A
Installation of sump pump crocks in crawlspaces (10)	9,000	15,000	66.7%
Tree maintenance & fertilization (includes cost of consulting arborist)	175,000	210,000	20.0%
	<u>175,000</u>	<u>210,000</u>	
 Total	 <u>\$ 704,075</u>	 <u>\$ 828,350</u>	 17.7%

GREENBELT HOMES, INC.
2023 BUDGET
RESERVES

The 2023 budget will continue to fund the reserves as set forth in the 1987 policy adopted by the Board of Directors. Schedule I illustrates the activity taking place in the reserves during the Homes Improvement Program. Suggested Replacement Reserve expenditures detailed below are categorized based on the August 2013 Reserve study and adjusted to date.

In 1987, the Board adopted the goal of having the total Contingency Reserve equal to 10% of the operating budget. In 1993 the Board voted to maintain the Contingency Reserve balance of the 29 larger homes at 35% of their portion of the operating budget.

Suggested Replacement Reserve Expenditures:

	2022 Budget	Proposed 2023 Budget	%
			Change
1) In House			
a) Baseboard heaters	\$ 4,890	\$ 5,930	21.3%
b) Ceiling heaters	12,314	18,470	50.0%
c) Frame porch decks	36,721	49,130	33.8%
d) Water heaters replacements	80,253	106,820	33.1%
e) Masonry porch roofs	6,315	7,170	13.5%
f) Underground utility yard restorations	8,960	12,410	38.5%
g) Sump pumps	10,975	12,690	15.6%
Subtotal	160,428	212,620	32.5%
2) Contracts			
a) Underground sewer replacement	300,000	300,000	0.0%
b) Purchase one van; one pick-up truck with snow plow (2)	60,000	-	-100.0%
c) Sidewalk replacement	55,000	55,000	0.0%
d) Replace roofs on frame homes (136)	450,404	582,860	29.4%
e) Replace roofs on block units (51)	260,304	263,935	1.4%
f) Pilot Program-replace water supply/waste piping 16 frame	-	155,200	N/A
g) Pilot Program-replace water supply/waste piping 16 masonry	-	310,000	N/A
h) Replace roofs on rental garages (33)	57,882	105,000	81.4%
i) Repair retaining wall @ 2 Plateau	105,500	-	-100.0%
j) Replace windows on large single family homes (4)	37,811		
k) Replace windows in larger homes (25)	146,535		
l) Replace doors in larger single family homes (2)	14,640	496,000	14.6%
m) Replace sliding glass doors on large single family homes (3)	8,690		
n) Replace doors on larger townhouses (25)	83,625		
o) Replace siding on larger homes (25)	141,667		
p) Replace roofs on attached garages (14)	30,016	57,000	89.9%
q) Consultant to revise replacement reserves plan	-	12,000	N/A
Subtotal	1,752,074	2,336,995	33.4%
Total suggested replacement reserve expenditures	\$ 1,912,502	\$ 2,549,615	33.3%

Suggested addition maintenance reserve expenditures:

	2022 Budget	Proposed 2023 Budget	
a) Routine in-house maintenance work	\$ 14,935	\$ 22,510	50.7%
b) Roof replacements	54,000	50,000	-7.4%
c) Consultant to revise addition replacement reserves plan	-	12,000	N/A
Total suggested addition maintenance expenditures	\$ 68,935	\$ 84,510	22.6%

GREENBELT HOMES, INC.
2023 BUDGET
ANALYSIS OF REPLACEMENT, ADDITION MAINTENANCE & CONTINGENCY RESERVES

	(1)	(2)	(3)	(4)	(5)	(6)	Schedule G (7)
	Beginning Balance 12/31/2021	2022 Budgeted Collections	2022 Projected Expenditures	Projected Balance 12/31/2022	2023 Budgeted Collections	2023 Budgeted Expenditures	Projected Balance 12/31/2023
<u>Frame Homes</u>							
Contingency	\$ 739,456			\$ 739,456			\$ 739,456
Interest		\$ 96,534			\$ 145,801		
Replacement	3,861,359	1,166,448	\$ (958,595)	4,165,746	1,206,107	(1,176,748)	4,340,906
	<u>4,600,815</u>	<u>1,262,982</u>	<u>(958,595)</u>	<u>4,905,202</u>	<u>1,351,908</u>	<u>(1,176,748)</u>	<u>5,080,362</u>
<i>DMA report balance targets</i>	3,822,920			4,461,761			5,115,600
<u>Masonry Homes</u>							
Contingency	510,991			510,991			510,991
Interest		\$ 81,851			\$ 131,757		
Replacement	3,274,029	918,781	(510,167)	3,764,494	950,020	(865,400)	3,980,871
	<u>3,785,020</u>	<u>1,000,632</u>	<u>(510,167)</u>	<u>4,275,485</u>	<u>1,081,777</u>	<u>(865,400)</u>	<u>4,491,862</u>
<i>DMA report balance targets</i>	1,612,158			2,170,967			2,760,386
<u>Larger Homes</u>							
Contingency	46,026			46,026			46,026
Interest		\$ 8,669			\$ 13,736		
Replacement	346,743	41,134	(4,100)	392,446	43,684	(507,467)	(57,601)
	<u>392,769</u>	<u>49,803</u>	<u>(4,100)</u>	<u>438,472</u>	<u>57,420</u>	<u>(507,467)</u>	<u>(11,575)</u>
<i>DMA report balance targets</i>	61,442			63,602			69,863
<u>Summary</u>							
Contingency	1,296,473	-	-	1,296,473	-	-	1,296,473
Interest		187,054			291,294		291,294
Replacement	7,482,131	2,126,363	(1,472,862)	8,322,686	2,199,811	(2,549,615)	8,264,176
<i>DMA report balance targets</i>	5,496,520			6,696,330			7,945,849
	<u>\$ 8,778,604</u>	<u>\$ 2,313,417</u>	<u>\$ (1,472,862)</u>	<u>\$ 9,619,159</u>	<u>\$ 2,491,105</u>	<u>\$ (2,549,615)</u>	<u>\$ 9,851,943</u>
<u>Additions</u>							
Interest		\$ 28,853			\$ 46,153		
Replacement	\$ 1,154,136	204,590	(68,935)	\$ 1,318,644	208,270	(84,510)	\$ 1,488,557
	<u>\$ 1,154,136</u>	<u>\$ 233,443</u>	<u>\$ (68,935)</u>	<u>\$ 1,318,644</u>	<u>\$ 254,423</u>	<u>\$ (84,510)</u>	<u>\$ 1,488,557</u>
<i>DMA report balance targets</i>	1,172,031			1,377,916			648,504