

## Summary of MBA Budget for 2021-2022

The Middlesex Beach Association Budget for the 2021-2022 year was approved by the MBA Board after discussions at several Board meetings. The Board was supported in its deliberations by the Budget Committee, our management company CAS Inc., and other Standing Committees including Community Patrol, Beach Patrol, Community Facilities, and Beautification.

For the upcoming year, the Board approved an increase of the annual assessment by \$300 for a total assessment of \$,2750 for the 2021-2022 year.

There are three components to the annual assessment:

- The bulk of the assessment is the Operating Assessment for the day-to-day operations of the Community (e.g. trash and recycle pick-up, landscaping, insurance, salaries for Beach & Community Patrol and Community Facilities staff, and the management contract with CAS)
- Contribution to Capital Reserves to fund repair and replacement of long-term community assets, such as our roads
- Contribution to Beach Reserves to support future beach replenishment projects and investments in our Beach

### Operating Assessment

This year, there were increases in most parts of the operating budget, including an increase for new lifeguard chairs to replace some of those built last year; increased certification costs for the lifeguards; and increased ditch and road maintenance. Our prior year's budget did not keep pace with the activities needed to maintain our community property, reserves, lifeguard equipment, and lifeguard certifications

### Reserve Contributions

Our Capital Reserves provide the means to repair or replace our long-term capital assets owned by Middlesex Beach, such as roads, security and other fencing on community property, and signs. We rely on a Reserve Study prepared by an expert to guide our annual contributions and our overall target for adequate Reserve funds. The Board approved the cost in the budget to obtain an updated reserve study. This will provide an accurate and current path to properly funding the Reserves. The previous path provided did not account for any expenditures from Reserves which will be corrected with the updated Reserve study. The Board and Budget Committee added additional Reserve contributions to bring Middlesex Beach closer to having the proper Reserve funds.

Our Beach Reserves will help fund MBA's participation in any future beach replenishment projects that may be necessary. Although the cost of our portion of any future beach replenishment project is highly variable and depends on many factors, the Board is currently working on an updated value for a future replenishment. The Board has also engaged the services of a consulting firm to assist MBA in obtaining the necessary permits from the relevant State and Federal authorities to enable MBA to participate in future replenishment projects should MBA decide to do so.