



**Board of Directors
FEBRUARY 27, 2010 AGENDA**

TO: ALA Board of Directors
PREPARED BY: John Rutledge, General Manager
SUBMITTED BY: Beth Scott, Chair – Business Committee
SUBJECT: Operations Budget Parameters 2010/2011

SYNOPSIS:

General budget parameters and an Operations Budget have been prepared and are submitted for approval.

BUDGET PARAMETERS 2010-2011

The budget for the 2010-2011 fiscal year is being based on the following parameters.

- The proposed 2010-2011 Operations Budget again reflects the uncertain economic environment and is generally conservative in projected income and aggressive in projected expenses.
- This budget will continue to incent a high level of performance by all employees and includes a nominal cost of living increase (3%) for full time employees and requests a bonus pool of 2% of fulltime salaries to be distributed at the discretion of the General Manager to those employees so deserving. These bonuses may be paid in lump sums or may be applied to base salaries.
- The “Capital and Special Projects Budget” has been adjusted by removing completed projects and including projects recommended for 2010-2011. Major items added for this year include initiation of the first 4 phases of the Tavern Bay Beach Club redevelopment, a new patrol boat and significant upgrades to our information systems.
- The fee schedule adopted for 2009-2010 remains the same for 2010-2011.

There are no significant modifications from the 2009-2010 budget. In summary, income (\$3,384,450) is nominally less than the 2009-2010 budget and funds actually collected to date. Operational expenses (\$3,108,450) are projected to shrink nominally. Net Operating Income available for “Capital and Special Projects” is estimated at \$276,000.

RECOMMENDATION

The reserves of the association when coupled with projected income support this budget and approval is recommended by staff and the Finance Committee.