



TITLE:
2025 Draft Budget

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Dec. 3, 2024 | COMMUNITY PRESENTATION



Budget Timeline

Key Dates:

- Thursday, Sept 26 – Finance Committee (FC) Provides Budget Guidance/Direction
- Thursday, Oct 17 – FC Reviews 1st Draft
- Thursday, Oct 31 – FC Reviews 2nd Draft resulting in unanimous recommendation to the BOD
- Monday, Nov 4 – Board Workshop to deliberate recommended budget – provides direction to staff for a revised budget to be approved on Nov 11
- Monday, Nov 18 – Board budget presentation – Board decides to have a Community presentation then budget approval at Dec. 9 meeting
- Tuesday, Dec 3 – Community Presentation
- Monday, Dec 9 – Board Budget Approval



Budget Activities during Process

Staff:

- Budget strategy meeting w/ staff re: rebuild from zero, quality and substance, service to members and 3-year actual spend;
- 3 Forecast Updates based on analysis of activity to-date vs budget details;
- Continual 2025 draft budget updates throughout process based on interaction with staff, contractors, info updates and direction from FC and Board;
- Thorough analysis of the data in preparation for 3 presentations to the FC (all w/ membership) and 2 presentations to the Board (1 w/ membership).

Finance Committee:

- Review of 2024 forecast to 2024 budget;
- Review of 2024 forecast to 2025 budget;
- Reviewed detail related to key revenue and expense drivers;
- Deliberated to conclusion re: budget philosophies and strategies, including but not limited to revenue streams, cash resources and member assessments and access fees;
- Unanimously recommended 2025 budget with supporting info to Board;

Board:

- Simultaneously received budget materials for each of the FC meetings;
- Deliberated main tenants of the draft budget in detail and provided direction to staff for a final draft budget.

2025 Draft Budget – Community Presentation

Two Distinct Budgets: Operating Fund & Reserve Fund





TWO DISTINCT BUDGETS: OPERATING & RESERVE

Operating Fund

DAILY OPERATIONS

The Operating Fund is used to account for KICA's general day-to-day operations such as Security, Land and Lakes Management, Recreation and Amenities, General Maintenance and Administration.

It also accounts for the activities of the Segments: V-gate, Ocean Park and the Preserve. Revenues from segment assessments are restricted to offset segment expenditures.

This budget is funded primarily by annual assessments paid by all property owners while personnel costs account for the majority of expenditures.

Generally, property and equipment purchases with useful lives of 7 years or less are capitalized and depreciated. KICA plans for the replacement of these assets by setting aside funds ("Asset Replacement \$") as they are depreciated.



TWO DISTINCT BUDGETS: OPERATING & RESERVE

Reserve Fund (MRR)

MAJOR INFRASTRUCTURE REPAIR/REPLACEMENT

The Reserve Fund is dedicated to activities related to major infrastructure repairs and replacements including road repaving, building repairs, drainage and landscape improvements.

Revenue sources include real estate transfer fees (known as Contribution to Reserves - CTR), Reserve assessments and commercial access fees.

Per industry standard and generally accepted accounting principles, expenditures are expensed in the year incurred rather than capitalized.

New long-lived assets are funded out of the Operating Fund, added to the Reserve Study component listing and included in the process for major repairs and replacement.



TWO DISTINCT BUDGETS: OPERATING & RESERVE

Reserve Fund (MRR)

MAJOR INFRASTRUCTURE REPAIR/REPLACEMENT

Other than a 15% administrative fee on CTR and access fees that is allocated to the Operating Fund, Reserve Fund resources are dedicated and may not be utilized by the Operating Fund.

An annual Reserve Study is conducted by an independent specialist who produces an annual report that is utilized to help manage the long-term nature of the Reserve Fund. The Study accounts for the useful life and replacement cost of major assets and infrastructure while considering inflation.

2025 Draft Budget – Community Presentation

Operating Fund Budget



2025 Draft Budget - Community Presentation

Operating Fund

With an 8.8% assessment increase (detailed on p. 14), this draft budget still results in a \$1.3M net operating cash deficit as demonstrated below.

See exhibit D for a 12-year analysis of assessment rates.

Description	2025 Budget	2024 Forecast
Operating Revenues		
Assessments	14,142,893	12,824,006
Contributions to Reserve	375,000	645,843
Commercial Access Fees	511,564	447,968
Amenity User Fees	705,208	696,074
Other income	296,214	437,698
Total Operating Revenues	16,030,879	15,051,589
Operating Expenses		
Payroll Expense	8,601,212	7,745,209
Employee Benefits	1,711,963	1,642,066
Building/Equip R/M	879,399	748,681
Common Area Expenses	2,736,987	3,090,460
General Expenses	3,043,937	2,818,173
Capital Project- Landscape	0	0
Capital Project - MRR	0	0
Total Operating Expenses	16,973,497	16,044,589
Excess (Deficit) Operating Revenue over Expense	(942,618)	(992,999)
Non-Operating Revenues		
Investment Income	574,862	499,623
Comcast Revenue	333,656	329,806
Total Non-Operating Revenues	908,518	829,429
Non-Operating Expenses		
Community Programs Support	0	0
Interfund Transfers	(2)	2
Gains/Losses	(18,161)	(192,019)
Depreciation	333,013	316,551
Total Non-Operating Expenses	314,850	124,534
Total Non-Operating Revenue (Expense)	593,668	704,895
Net Surplus/(Deficit)	(348,950)	(292,209)
Net CASH Surplus (Deficit)	(1,355,155)	(567,013)





Operating Fund

Cash Projections

It is important to review cash reserves status when considering the overall budget.

The draft budget report does not reflect those items that affect cash but not the income statement, i.e., capitalized assets, depreciation, unrealized gains and the recognition of deferred income. Capitalized assets have by far the biggest impact in that cash is outlaid but not recorded as an expense, but rather as an asset on the balance sheet.

In addition, cash has been designated by the BOD for certain purposes and should also be accounted for in establishing the budget and its impact on cash.

	2025 Budget	2024 Forecast
	<u>Operating Fund</u>	<u>Operating Fund</u>
Beginning Cash/Investments	6,208,541	6,775,554
Cash Net Surplus (Deficit)	(1,355,155)	(567,013)
Projected Ending Cash/Investments	<u>4,853,386</u>	<u>6,208,541</u>
"Designated" Portion of Operating:		
Asset Replacement \$ (Funded Depreciation)	2,929,625	2,800,000
Named Storm	1,000,000	1,000,000
Preserve	21,770	13,855
Ocean Park	25,674	16,364
V-gate	249,692	305,211
Total Designated Funds	<u>4,226,761</u>	<u>4,135,430</u>
Total Undesignated Cash/Investments	<u>626,625</u>	<u>2,073,111</u>

	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Cash Deficits	(371,586)	(330,260)	(567,013)	(1,355,155)



Draft	KICA Community Presentation - Dec 5 2025 <u>Segment</u> Budgets					
	V-Gate		Ocean Park		Preserve	
	2024 FRCST	2025 Budget	2024 FRCST	2025 Budget	2024 FRCST	2025 Budget
Operating Revenues						
Assessments	217,556	218,626	208,483	198,735	28,503	118,788
Other income	0	0	0	0	51,748	49,446
Total Operating Revenues	217,556	218,626	208,483	198,735	80,251	168,234
Operating Expenses						
Payroll Expense	184,667	194,000	65,351	65,350	0	0
Building/Equip R/M	23,335	90,616	0	0	0	0
Common Area Expenses	9,017	8,700	126,768	124,075	168,537	164,820
General Expenses	11,164	11,825	0	0	0	0
Total Operating Expenses	228,183	305,141	192,119	189,425	168,537	164,820
Excess (Deficit) Operating Revenue over Expense	(10,627)	(86,515)	16,364	9,310	(88,286)	3,414
Non-Operating Revenues						
Investment Income	13,741	30,996	0	0	6,680	4,500
Total Non-Operating Revenues	13,741	30,996	0	0	6,680	4,500
Non-Operating Expenses						
Interfund Transfers	0	(40,000)	0	0	0	0
Gains/Losses	18,849	0	0	0	(1,032)	0
Total Non-Operating Expenses	18,849	(40,000)	0	0	(1,032)	0
Total Non-Operating Revenue (Expense)	32,590	(9,004)	0	0	5,648	4,500
Net Surplus/(Deficit)	21,963	(95,519)	16,364	9,310	(82,638)	7,914
Projected Beginning Cash Reserve	283,248	305,211	0	16,364	96,493	13,856
Projected Ending Cash Reserve	305,211	209,692	16,364	25,674	13,856	21,770



Operating Fund

Capital Equipment Purchases

Department	New Asset	Estimated Cost
General Admin	IT Switches, Firewall, Web Development, Salesforce App	136,500
General Admin	Bobcat Hall - Audio/Visual System	73,112
Security	Lockers, Main Gate Cabinets	18,000
Land	Gator, 3 Trucks	136,000
Lakes	Aeration	50,000
Recreation	Pump, Bar/Pool Furniture, RB Tables/Chairs	135,450
Recreation	Canoe/Kayak storage	681,000
Recreation	Family Pool restroom HVAC	19,500
V-Gate	V-Gate Enclosure	40,000
		<u>1,289,562</u>



Operating Fund

Revenue

Annual assessments to KICA members are by far the primary funding source (includes Kiawah Island Golf Resort and Kiawah Partners). Additional funding sources include: administrative fee of 15% on CTR and access fees; Comcast Royalties (non-operating income); summer season Castle Grille activities (net of expenses - minimal profit), and other smaller contributions from miscellaneous service activities and investment income (non-operating income).

Revenue considerations:

The overall philosophy of the FC and the Board in reaching the current 2025 draft budget is to maintain a consistent rate increase across revenue streams in order to:

- Stay ahead of the increased costs of doing business on Kiawah Island, particularly related to staffing since those account for approx. 60% of operating expenses;
- Mitigate the risk of volatile revenue streams; and
- Mitigate the risk of supplemental or special assessments to the membership while maintaining consistent, predictable assessments.



Operating Fund

Revenue

The following chart is a summary of rate increases within the Operating Fund budget and demonstrates the aforementioned philosophy

Fee Rate Analysis

<u>Assessments</u>	<u>2024</u>	<u>2025</u>	<u>% incr</u>	
General - Improved	2,331	2,535	8.8%	
Reserve	325	353	8.6%	
Amenity	220	231	5.0%	Max annual incr per Covenants
V-Gate	100	100	0.0%	Determined by fund bal strategies
Ocean Park	1,436	1,312	-8.6%	Determined by fund bal strategies
Preserve	205	850	314.6%	Determined by fund bal strategies
Joint Member	250	272	8.8%	
<hr/>				
Cassique Access	1,165.5	1,267.5	8.8%	1/2 of General - Improved

Contribution to Reserves by covenant - .5% - 15% of CTR is attributed to the Operating Fund - FC recommended that the Board consider a rate change in the future when revenue streams for the Reserve become more volatile

Access Fees - Overall See Exhibit B for access fee rates

Amenity User Fees Exhibit D shows the current Amenity User Fees included in the 2025 Draft Budget.

<u>Non-Segment Aggregate</u>	<u>2024</u>	<u>2025</u>	<u>% incr</u>
General Assessment	2,331	2,535	8.8%
Reserve	325	353	8.6%
Amenity	220	231	5.0%
Total rate increase	<u>2,876</u>	<u>3,119</u>	8.4%



Operating Fund

Revenue

Amenity Assessment The improvement and regular maintenance of recreation facilities and activities necessitate increasing the Amenity Assessment by the maximum/year allowed by KICA Covenants (5%) which has been done. This 5% increase has been implemented each of the past 5 years except in 2021 when it remained flat. Sandcastle and recreation activities operate with an annual deficit approximating \$1M depending upon the year which is funded by the General Assessment.

Joint Member The Joint Member sub-committee in collaboration with staff and ultimately the FC, determined over the summer that this fee is a legitimate fee to be charged and that any adjustment to the amount should be considered in conjunction with the budget process.

It is important to remember that this fee is not solely a recreation utilization fee but also an administrative fee. It should also be noted that this fee is optional. Anyone choosing not to pay this fee would be considered a guest and not have the typical membership access privileges.

The FC is recommending that this fee be increased 8.8% from last year, taking it from \$250 to \$272 and keeping it consistent with the recommended philosophy for the General and Reserve Assessments.



Operating Fund

Revenue

Amenity User Fees This line item includes fees related to private and community events, canoe storage, paddle sports and the operation of the seasonal grill food and beverage. **Exhibit C** shows 3-year rates for private events, Cinder Creek and boat launch fees which have been reviewed and recommended by the Amenities Committee and should be approved as part of the budget package.

Comcast Royalties Comcast Royalties are considered non-operating income and result from a 12-year agreement initiated in 2014 (expires 2026). There are two components to this revenue stream which are based on the existing contract: a \$250 per unit fee for each new unit subscriber and a royalty based on a % of service penetration on the island. These fees are paid at the end of each quarter.

Investment Income Investment income is considered non-operating income and results from the “short-term” operating cash investment strategies, investing in instruments with maturities of 12 months or less.

This income also includes the Designated Cash investment income with maturities up to 24 months but this income is maintained within the designated classification.



Operating Fund

Expenses

Staffing includes base wages and incentive pay, vacation expense, contract employees (H2B), and payroll taxes.

The draft budget contemplates an ~11% \$ increase from the 2024 forecast which is explained by:

- Open/unfilled positions – budgeted positions for entire year but not filled or not filled until later in the year. Budgeted full year in 2025 (~\$180K);
- 4% standard pay increase strategy (~\$310K);
- Adjustments to 4% pay increase due to performance/market considerations (~\$136K);
- Net additional from new positions (1 security patrol, 2 land H2B contract employees placeholders) and eliminated positions (1 Admin Assistant, 1 seasonal communications intern, 1 land technician) – (~\$30K);
- \$200K placeholder for ARB functions.

Exhibit B details 2024 staffing by department. Full-time head count remains at 109.



Operating Fund

Expenses

Employee Benefits Considering that staffing is by far the biggest budget driver (accounts for ~60% of overall operating costs) and critical to the effective service provided to the membership, a primary goal is to maintain consistent and stable benefits while attempting to maintain reasonable associated costs.

Budget year over year includes a \$70,000 increase in overall benefits or 4.3%.

Although the cost of health insurance (claims, stop loss premium, 3rd-party administrator and agent fees) is going up approximately 15%, having 9 months of claims history and a more proactive agent provides us the opportunity to budget more aggressively. In addition, the ancillary lines (life/AD&D, ST/LT disability, etc.) are coming in at or below prior year.

USI (health benefits agent) and KICA staff are working on strategies that will likely improve our experience with several high claimants.



Operating Fund

Expenses

Technology and related systems are critical components of KICA's operations. This cost center supports all hardware and software systems (Salesforce, Financial Edge, ABDI to name a few) for KICA's various office locations, point of sale processes (gates, Sandcastle, pass office, etc.), backup systems, phone and internet systems and day-to-day troubleshooting.

An IT Technician was added in 2024 with Cantey, a contract service provider, acting as the CIO. This strategy addressed the need for a consistent, on-site technician to handle the day-to-day activities in a prompt and effective manner and coordinate with Cantey on the implementation of the overall IT strategy. This structure is continued in the 2025 budget.

Building R/M Increase from prior year forecast is due primarily to an allowance for main gate repairs from a building inspection report for 2025 and repairs to the family pool restrooms.



Operating Fund

Expenses

Signage Includes initiative for pedestrian flashing signs.

Amenity Utilization These are expenses directly related to the Amenity User Fees. Costs are budgeted a bit higher in 2025 to enhance the quality of the service/events being provided.

Contracted Services The decrease from the 2024 forecast to the 2025 budget results from approximately \$415K of storm cleanup expenditures in 2024 and the decision by the BOD/FC to replenish the Named Storm Reserve out of the Operating Fund.



Operating Fund

Expenses

Property & Liability Insurance The current draft budget anticipates increases in various lines as follows: 20% - property insurance; 16% - auto; 10% - liability. Initially, our agent advised us to budget property at a 10% increase but hurricanes Helene and Milton caused us to increase that to 20% as a conservative estimate.

Because of the May 1 policy renewal date for all lines, the 2025 budget only bears 8 months of those increases.

PLEASE NOTE: because renewals are not until May 1 and the market does not begin to quote for that period until as late as April, the rate increases are simply a placeholder. KICA's insurance agent continues to be in the marketplace and will update status as timely as possible.

Please see page 26 of this presentation for a snapshot of the extent to which KICA's assets in totality (infrastructure, real and personal property) have available resources for their replacement or repair in the event of a catastrophic event.

2025 Draft Budget – Community Presentation

Reserve Fund (MRR) Budget





KICA
Community Presentation - 12/5
2025 Reserve Fund Budget

DRAFT

Description	2025 Budget	2024 FRCST
Operating Revenues		
Assessments	2,189,248	1,925,143
Contributions to Reserve	2,125,000	3,661,108
Commercial Access Fees	2,898,860	2,451,851
Total Operating Revenues	7,213,108	8,038,101
Operating Expenses		
Capital Project- Landscape	275,000	415,000
Capital Project - MRR	7,038,153	5,990,827
Total Operating Expenses	7,313,153	6,405,827
Excess (Deficit) Operating Revenue over Expense	(100,045)	1,632,275
Non-Operating Revenues/(Expenses)		
Investment Income	987,487	801,998
Unrealized Gains on Investments		686,954
Total Non-Operating Revenues	987,487	1,488,953
Net Surplus/(Deficit)	887,442	3,121,228
Projected Beginning Cash Reserves	19,976,915	16,855,687
Projected Ending Cash Reserves	20,864,357	19,976,915



Reserve Fund (MRR)

Funding Policy

Board policy as reflected in the Reserve Fund Policy statement is to maintain a 50-100% targeted funding level. According to the most recent published Reserve Study, KICA is currently at 74.2% funded. The % funded calculation is an estimate of the amount of cash in the Reserve Fund (numerator) as a % of the estimated accumulated deterioration (denominator: from the Reserve Study) of long-lived, infrastructure assets at a given moment in time. The accumulated deterioration is calculated from estimated asset replacement values, compensating for inflation.

Reserve Fund Budget Considerations

- This budget fluctuates from year to year based on infrastructure needs as dictated by actual circumstances and anticipated through natural deterioration calculations from the Reserve Study.
- Revenue streams (CTR, investment income, access fees) have some level of future volatility depending upon the economy, real estate sales and construction activities.
- Kiawah Partners has only two more large developments that will close in 2027 and 2028, limiting CTR and access fees in other years. The 2031 PGA Championships will positively impact commercial access fees in 2030 and 2031.
- The cost of major repairs and replacements on the island continues to rise.



Reserve Fund (MRR)

The following chart shows projected Reserve Fund (MRR) funding levels based on projected KICA revenue streams and the amount and timing of expenditures detailed in the most recent Reserve Study. Although funding levels are strong and these resources are intended for the major repairs and replacements of infrastructure assets, they would be available to the Board in the instance of a catastrophic event.

For reference, there are an estimated \$30M of KICA infrastructure assets that do not have resources available in a total loss situation. See following slide.

	Actual	Frst	Budget	Forecast								
KICA Projections	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Revenues	7,809,448	9,527,054	8,200,595	6,980,982	7,875,000	7,450,000	6,925,000	6,925,000	6,925,000	6,925,000	6,925,000	6,925,000
Total Expenses	4,340,948	6,405,827	7,313,153	3,986,000	4,295,361	4,133,387	3,291,309	6,980,378	3,721,162	3,831,918	3,919,349	3,315,383
Net Surplus/Deficit	3,468,500	3,121,227	887,442	2,994,982	3,579,639	3,316,613	3,633,691	(55,378)	3,203,838	3,093,082	3,005,651	3,609,617
Beginning Projected Fund Balance	13,387,186	16,855,686	19,976,913	20,864,355	23,859,337	27,438,976	30,755,589	34,389,280	34,333,902	37,537,740	40,630,822	43,636,473
Ending Projected Fund Balance	16,855,686	19,976,913	20,864,355	23,859,337	27,438,976	30,755,589	34,389,280	34,333,902	37,537,740	40,630,822	43,636,473	47,246,090
% Funded per KICA Projections	57.4%	63.8%	77.6%	77.7%	83.1%	90.2%	94.7%	96.5%	97.4%	97.8%	97.4%	96.6%
"Fully Funded" amount	23,336,585	26,409,291	25,749,055	26,869,676	28,714,171	30,407,130	32,475,383	35,635,429	35,257,809	38,398,145	41,696,076	45,185,676



Reserve Fund (MRR)

The following summarizes the extent to which KICA’s assets in totality (infrastructure, real and personal property) have available resources for their replacement or repair in the event of a catastrophic event. This schedule is a carryforward from the prior year and has not been updated for current status but is useful from a big picture standpoint.

Total KICA Assets (infrastructure, real and personal property) – replacement value	<u>\$67,325,520</u>
Insurance funding available	\$17,375,587
Asset Replacement \$ (“formerly funded depr”) – personal prop 7yrs useful life or less)	\$ 2,800,000
Reserve Assets – Funding Available (dedicated to Reserve assets)	<u>\$16,855,686</u>
Total available replacement funding	<u>\$37,031,273</u>
Total KICA Asset replacement not funded (infrastructure, real and personal property)	<u>\$30,294,247</u>
Total “Self-insured” Property – Replacement Value	<u>\$49,949,933</u>



Reserve Fund (MRR)

Revenue

Annual Reserve Assessment A \$300 annual Reserve assessment was initiated in 2014, increased to \$325 in 2019 and remained at \$325 through 2024. The FC recommendation and current draft budget in front of the Board includes an increase to \$353 (8.8% increase).

Contributions to Reserves (CTR) KICA receives a real estate transfer fee on the sale of every Kiawah property, which is equal to $\frac{1}{2}$ of 1% of the sale price.

Contribution to Reserve foresees a significant reduction due to no new developer neighborhoods (i.e., the Cape) being closed on in 2025. In consultation with the 2 key realtors for the island, CTR has been budgeted at \$2.5M, 85% of which is attributed to the Reserve Fund (MRR) and 15% to the Operating Fund.

Any change in the real estate transfer fee rate would require a Covenant change resulting from a member vote. Due to the volatility of this revenue stream moving forward, the FC felt it appropriate for the Board and/or the Governance task force to consider a possible increase to the real estate transfer fee sometime in the future.



Reserve Fund (MRR)

Revenue

Access Fees (See Exhibit A for fee chart)

Until 2023, 100% of access fees had benefited the General Fund. In 2023, 85% of access fees went to Reserve Fund (MRR) in an effort to support the upkeep of KICA infrastructure, particularly roadways. 15% was attributed to the General Fund.

Various access fee rates were increased significantly in 2023 and 2024. As a result, staff and thereafter the FC recommended flat rates for the draft 2025 budget, excepting bike fees and the addition of a trailer decal fee.

At the 11/4 Board workshop, the Board asked staff to implement an overall access fee rate increase. The overall increase could be apportioned differently across the different types of rate categories. The current draft budget before the Board incorporates the revenues resulting from this rate increase demonstrated in Exhibit A.

The FC and Board affirmed staff's request for a trailer decal fee. The charge on trailers would be nominal. It was proposed by Security in order to have trailers registered and the ability to enforce infractions. The effect from an overall budget perspective is miniscule but a necessity from an operations/service perspective. The rate is being researched and therefore is not currently included in this draft budget.

KICA has collected a gate access fee for all properties located in Cassique, not owned by the master developer, since 2001. Cassique HOA is not a part of KICA, but its members all have access to Kiawah Island Club properties. Cassique members are charged ½ of a KICA assessment, as a gate access fee.



Reserve Fund (MRR)

Expenses

Maintaining KICA's infrastructure is the most significant portion of this draft budget. Much of this budget is similar to past years, to include: \$1 million annually in investment to repair aging drainage infrastructure, routine outside inspections of infrastructure and allowance accounts for miscellaneous repairs to roads, trails, concrete, etc. Additional projects in the 2025 MR&R budget include:

Road Repaving The KICA board anticipates continuing its investment in the community, by maintaining island roads at an excellent or good standard. Roads were re-inspected by an outside engineering firm in 2023. The BOD determined that roads rated as "poor" or "fair" were to be repaved. "Poor" roads were paved in Fall 2023. The repaving of the first group of "fair" roads was completed in 2024. This work is expected to be continued in 2025 and 2026. For 2025, this is an approximate \$2M investment. In addition to ~\$2M in road repaving for 2025, \$200K is slated for repaving of the administration building lot and \$110K for milling and replacing of Royal Beach Drive.



Reserve Fund (MRR)

Expenses

Recreation Projects The 2024 budget anticipated replacing the verandah doors which are original to the facility and do not properly seal, creating air and water leaks. Due to the disruption caused by this project and existing Sandcastle bookings, it was anticipated to start in December 2024. As of November 1, this project will be rescheduled for Winter 2025/26. The estimated cost of the project to be incurred in 2025 is \$425K.

Following a structural inspection, the Cinder Creek dock needs to be replaced at a projected cost of \$350K.

In addition, the family pool restrooms are being renovated for a total of \$63,800, \$29,500 of which will be spent out of the Reserve Fund (MRR).

Leisure Trails Similar to the roads, leisure trails are inspected. Those not rated as excellent or good are slated for repairs. The first phase of poor and fair trails is scheduled for 2025 for \$250K. In addition to the repaving of the trails, this budget includes thermoplastic crosswalk striping along KI Parkway & Governors Drive (\$60K) and the completion of trail/road transitions along Green Dolphin Way (\$120K).



Reserve Fund (MRR)

Expenses

Boardwalks/Walk Bridges In addition to the \$350K in boardwalk modifications and major repairs project, this line item also includes a \$125K walk bridge and crab docks repair allowance.

Bridges and Bulkheads 2024 activities included Falcon Point Bridge and Inlet Cove Bulkhead major repairs. In 2025, we will be doing maintenance on our timber vehicular bridges and tightening up the hardware of several of the bridges.

Drainage KICA maintains its commitment to repair stormwater management systems, in particular, the repair of metal pipes which are 40 years old or older. The budget includes an annual \$1M to perform this work and \$165K of drainage cleanout and pond excavation activities.



Reserve Fund (MRR)

Expenses

Landscape Capital Improvement (LCI) Landscape Capital Improvement projects are a smaller section of the reserve budget

Pond Bank Pruning

The most significant project within this budget is the continuation of the pond bank pruning project, which began in 2019. In cutting back the significantly overgrown vegetation around pond banks, the ponds benefit from less erosion, improved water quality with more sunlight and less debris into the ponds & drainage system. Following the pruning of the pond banks, the banks are replanted with aquatic grasses to stabilize the shoreline. Through 2024, we expect to have completed 67 of KICA's 122 ponds. The 2025 draft budget includes \$125K for this project. This work will primarily focus on the ponds in the Settlement neighborhood.

KICA also continues line of sight work at intersections, clearing back vegetation & replanting with lower-growing plants

2025 Draft Budget – Community Presentation

Exhibits





Exhibit A – Access Fee Rates

2025 Commercial Access Fee Schedule

Type of Pass	Fee Last Raised	2022 Rate	2023 Rate	2024 Rate	2024 Actual (+Nov-Dec 2023)	2025 Rate	2025 \$	2024-2025
Day Pass 4 wheels	2012	\$ 12.00	\$ 15.00	\$ 20.00	29,214	\$ 23	\$ 671,922	15.00%
Day Pass 6 wheels	2017	\$ 25.00	\$ 30.00	\$ 35.00	5,153	\$ 42	\$ 216,426	20.00%
Day Pass 7+	2017	\$ 55.00	\$ 55.00	\$ 60.00	2,007	\$ 75	\$ 150,525	25.00%
Annual Reg 4 Wheel	2017	\$ 170.00	\$ 210.00	\$ 280.00	3,498	\$ 322	\$ 1,126,356	15.00%
Annual - 6 Wheel	2017	\$ 405.00	\$ 420.00	\$ 490.00	304	\$ 588	\$ 178,752	20.00%
Annual - 7+ Wheel	2017	\$ 605.00	\$ 770.00	\$ 840.00	50	\$ 1,050	\$ 52,500	25.00%
Annual trailer decal	NEW				200	\$ 10	\$ 2,000	NEW
Commercial W-2 Employee Annual	2017	\$ 75.00	\$ 85.00	\$ 90.00	731	\$ 150	\$ 109,650	66.67%
RFID Decal Purchase	2017	\$ 10.00	\$ 15.00	\$ 15.00	3,202	\$ 25	\$ 80,050	66.67%
Fleet Rate - 4 wheels	2017	\$ 2,500.00	\$ 2,750.00	\$ 2,888.00	25	\$ 3,864	\$ 96,600	33.80%
Fleet Rate - 6+wheels	2017	\$ 3,000.00	\$ 3,300.00	\$ 4,000.00	46	\$ 7,056	\$ 324,576	76.40%
Fleet - vehicles 50+	2017	\$ 50.00	\$ 55.00	\$ 58.00	15	\$ 68	\$ 1,020	17.24%
Fleet Rate - Transport	2017	\$ 2,500.00	\$ -					
Totals					44,445		\$ 3,010,377	

Annual Decal = 14 trips
 Fleet Decal = 12 vehicles

Type of Pass	Fee Last Raised	2022 Rate	2023 Rate	2024 Rate	2024 Actual	2025 Rate	2025 \$	DIFF
Bike Rental Decals	10+ Years	\$ 35.00	\$ 45.00	\$ 47.00	3,425	\$ 55.00	\$ 188,375.00	\$ 27,400



Exhibit B – Staffing

Department	2024					2025 - DRAFT				
	Full-Time	Part-time	seasonal	H2B	Total	Full-Time	Part-time	seasonal	H2B	Total
General and Administrative	19	0	1		20	17	0	0		17
Livability Dept	3				3	3				3
Security and Main Gate	38				38	40				40
Land Management	24		3	8	27	23		1	10	24
Mechanic's Shop	2				2	2				2
General Maintenance	7		1		8	7		1		8
Lakes Management	4				4	4				4
Recreation Center	12	2			14	13	0			13
Seasonal - Pool Attendants			10		10			10		10
Seasonal - Castle Grill										
Fitness Instructors										
Major Repairs/Replacements										
TOTAL	109	2	15	8	126	109	0	12	10	121

Notes for 2024

- Admin: add 1 Admin Asst, board approved in 2023
- Change PT role to FT for Actg & Salesforce Mgr
- Add 1 in-house IT
- 1 Communications Summer Intern
- Land: Removing 2 of the FT count goes to Preserve Contract
- Adding two months to H2Bs contracts
- Rec: Change 1 FT custodian to 2 part time
- Change MSR PT back to FT
- Pool attendants at 10
- Sec: Change Gate Ops Mgr to Patrol

Notes for 2025

- Admin: 1 transferred to Security for PO floater
- Eliminated FT Admin Assistant
- Eliminated Comms intern
- Sec: Addition of 1 for pass office floater
- Requesting 1 new patrol
- Land: Eliminate 2 seasonals
- Eliminate 1 FT land tech
- Increase 2 H2B
- Rec: Changing 2 PT custodian back to 1 FT
- Change 1 Custodian to Facilities Tech



Exhibit C – Amenity User Fees

	EVENT DATES IN 2024		EVENT DATES IN 2025		EVENT DATES IN 2026		EVENT DATES IN 2027	
	Weekday Mon-Thurs	Weekend Fri-Sun	Weekday Mon-Thurs	Weekend Fri-Sun	Weekday Mon-Thurs	Weekend Fri-Sun	Weekday Mon-Thurs	Weekend Fri-Sun
SANDCASTLE 1 Shipwatch Road								
Entire Upstairs Ballroom								
Member	\$2,475	\$2,700	\$2,723	\$2,970	\$2,995	\$3,265	\$3,295	\$3,595
Sponsored Guest	\$3,975	\$5,940	\$4,770	\$7,130	\$5,725	\$8,550	\$6,870	\$10,265
Single Upstairs Room: Sunset, Sandpiper, or Barrand Room								
Member	\$825	\$900	\$1,225	\$1,335	\$1,347	\$1,470	\$1,480	\$1,615
Sponsored Guest	\$1,325	\$1,980	\$2,145	\$3,200	\$2,575	\$3,850	\$3,090	\$4,620
Oceanfront Pool Deck (Includes Sandbar)								
Member	\$2,475	\$2,700	\$2,723	\$2,970	\$2,995	\$3,265	\$3,295	\$3,595
Sponsored Guest	\$3,975	\$5,940	\$4,770	\$7,130	\$5,725	\$8,555	\$6,870	\$10,265
	EVENT DATES IN 2024		EVENT DATES IN 2025		EVENT DATES IN 2024		EVENT DATES IN 2025	
	Weekday Mon-Thurs	Weekend Fri-Sun	Weekday Mon-Thurs	Weekend Fri-Sun	Weekday Mon-Thurs	Weekend Fri-Sun	Weekday Mon-Thurs	Weekend Fri-Sun
CINDER CREEK 36 Blue Heron Pond Road								
Pavilion and Dock								
Member	\$440	\$440	\$484	\$484	\$530	\$530	\$585	\$585



Exhibit C – Amenity User Fees

Fee Schedule CC Canoe Kayak Storage - Confirmed - '25 Cost

	2024	2025	2026	2027
RHETTS BLUFF				
Boat Launch				
Lifetime Pass - Member Only	\$200	\$500	\$550	\$605
Day Pass	\$15	\$25	\$25	\$25
CINDER CREEK				
Kayak and Canoe Storage				
Annual Member	\$625	\$700	\$800	\$900



Exhibit D – 12-yr Assessments

Non-Segment Aggregate	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%	2019	%	2020	%	2021	%	2022	%	2023	%	2024	%	2025
General Assessment	1,374	5%	1,442	5%	1,514	5%	1,590	5%	1,670	0%	1,670	10%	1,830	5%	1,922	0%	1,922	3%	1,980	12%	2,220	5%	2,331	9%	2,535
Reserve			300	0%	300	0%	300	0%	300	0%	300	8%	325	0%	325	0%	325	0%	325	0%	325	0%	325	9%	353
Amenity	123	5%	129	5%	135	5%	142	5%	149	5%	156	15%	180	5%	189	0%	189	5%	199	5%	209	5%	220	5%	231
Non-segment aggregate	1,497	25%	1,871	4%	1,949	4%	2,032	4%	2,119	0%	2,126	10%	2,335	4%	2,436	0%	2,436	3%	2,504	10%	2,754	4%	2,876	8%	3,119
V-Gate	122	-21%	96	0%	96	0%	96	0%	96	0%	96	0%	96	4%	100	0%	100	0%	100	-50%	50	100%	100	0%	100
Preserve	100	0%	100	0%	100	25%	125	44%	180	22%	220	464%	1,240	5%	1,302	0%	1,302	0%	1,302	-30%	913	-78%	205	315%	850
Ocean Park												1,240	5%	1,302	0%	1,302	10%	1,436	0%	1,436	0%	1,436	-9%	1,312	