

Annual Meeting 2011

The Landings Association, Inc.
February 22, 2011



2010 Association President



John F. Sobke



Agenda

- Approve Minutes of 2010 Annual Meeting
- 2010 and 2011 Boards of Directors
- Volunteer of the Year
- 2010 Year In Review – President's Report
- 2010 Financial Report
- TLCo Report
- 2011 Projects
- Questions



Approval of the Minutes of the 2010 Annual Meeting



2010 Board of Directors

- John Sobke, President
- Lorraine Boice, Vice President
- Jim McInerney, Treasurer
- Jim Rich, Secretary
- Chuck Beck
- Dick Dent
- Lou Molella
- Jim Scott
- Gerry Von Bargen
- Gary Bross, Ex-Officio



Retiring Directors



Dick Dent



Gerry Von Bargaen



Retiring *Ex Officio*



Gary Gross



2011 *Ex Officio*



John Sobke



2011

Board of Directors

- Jim McInerney, President
- Jim Rich, Vice President
- Milly Pitts-DiCicco, Treasurer
- Chuck Beck, Secretary
- Lorraine Boice
- Dan DeGood
- Gary Herrman
- Lou Molella
- Jim Scott
- John Sobke, Ex-Officio



2010 Volunteer of the Year

Don McCulloch

- Has led the task force to eradicate more than 2,000 noxious tallow trees
- Has encouraged volunteers with 34 appointed to this committee for 2011
- “He has been the ‘Jaws’ of the Chinese Tallow Tree Project.”
- “Don’s tireless leadership and good humor has kept us (the Tallow Terrors) on track for over 10 months, with no end in sight.”



2010 Year in Review



Our Vision

We continue to be the most desirable private, residential community in the coastal Southeast.



**Our Vision is attained through a focus
on these
Enduring Principles**

- Effective and financially sound governance
- Sustaining the beauty of our natural developed environment
- Fostering a connected and caring community
- Effective marketing of The Landings
- Powerful internal and external communications



What did your Association
do in 2010?

What did you get for
\$4 per day?



Good Shape Financially

- Through sound and responsible management, equity increased by 4.6% to \$11,405,559
- TLA has \$3,873,000 in certificates of deposit as reserves
- More on finances from the Treasurer later



Accomplishments - 1

- Marsh Tower totally renovated and brought up to safety code
- Delegal Tower reconstructed—further work under review by consultant
- Deer Creek Bridge re-decked
- 788 mail boxes & street signs repaired
- 1,477 mail boxes & street signs repainted



Accomplishments - 2

- 16,600 lineal feet of asphalt cart paths replaced with concrete
- 213,196 square yards of roads repaved and 246 lineal feet of curb repaired
- Three vehicles replaced with fuel efficient vehicles
- Administration building roof replaced
- Marshwood, Tidewater Square, and Oakridge irrigation systems were replaced



Accomplishments - 3

- F-650 truck repaired and tires replaced in lieu of complete scheduled replacement
- Negative forklift purchase for Landings Harbor; elevator eliminated and bulkhead reconfigured
- Lagoon Structure One reconstructed and repaired
- Emergency generators installed at Marshview Landings and Deer Creek



Accomplishments - 4

- Recycling plastics operation improved
- 28,279 bales of pine straw delivered to residents; 7,919 bales installed
- Community garden location finalized in cooperation with The Landings Club and Skidaway Audubon, Inc.
- Landscape efforts sustained the attractiveness of The Landings
- Signage in the Village improved by Public Works staff under contract with Village POA



Accomplishments - 5

- Street sweeping operation improved to be more efficient and cost effective
- The Landings Journal format revamped to reduce publication costs and increase quality
- 2011 Residential Directory continues to provide important information to the community



Accomplishments - 6

- Partnering among the Club, the Company, and the Association led to greater cooperation and collaboration
- Kane Commission reviewed governance issues leading to greater staff-to-staff coordination
- Reorganization of Departments to meet demands—staff reductions from 73 FTE to 69 reduced costs



Community Survey Results

- **94%** of respondents agreed that “The services provided by TLA are a **good value** for the assessment I pay”.
- **96%** of respondents are satisfied with overall **Safety and Security Operations**.
- **96%** of respondents are satisfied with overall **appearance of TLA common property**.
- **96%** of respondents are satisfied with TLA’s overall **customer service**.
- **96%** of respondents are satisfied with **internal communications**.
- **90%** of respondents are satisfied with the **Marinas**.



In Sum.....

TLA is well positioned for the future

And that's good because....



In the Future...we must, as a community, decide...

- Whether to adopt the Georgia Property Owner's Association Act
- Whether to adopt a new set of Covenants
- What the next three year assessment levels will be
- What the best methods are to sustain an appropriate national marketing program



Many, many thanks

- To Shari and the TLA staff
- To the many volunteers on our committees
- To the Board for diligent attention to duty and for excellent service this past year
- To Beth and Chuck for being great partners in cooperation and collaboration





Financial Report

Jim McInerney
2010 Treasurer



The Budget Process

- An Annual Process Beginning with Budget Assumptions
- Departments Review
 - Capital Asset Management Plan
 - Life Cycle Replacement of \$65M for Association Assets
 - Work Plans – Services, Projects, Staffing, Equipment, Programs
 - Prepare Departmental Budgets, Reviewed in Detail by Board Members and Senior Staff
- Department Budgets are Correlated to Board Priorities, the Strategic Plan, and Financial Capacity



The Budget Process

- Organization-Wide Operating Budget for Current Year and...
- Six-Year Long Range Financial Plan and Annual Budget for the Year
 - Developed to Account for Changes in Economic Conditions and Trends
 - Account for Board Priorities and Policies and Resident Survey Results
 - Reviewed and Approved by the Finance Committee and Board
- 2010 was Second Year of Three-Year Assessment Plan 2009 – 2011
- Budget Year 2011 is beginning of Long Range Plan 2011 - 2016



Where Do My Assessment Dollars Go?

	2010	2011
General Assessment	\$1,136	\$1,190
Capital Reserves	\$132	\$143
Roads and Cart Paths	\$192	\$192
Total	\$1,460	\$1,525



Overview of Financial Components

- Association Operating Fund
- Association Reserve Funds
- Marinas Operating Fund
- The Landings Company

Resulting in Consolidated Statement of Revenues and Expenses



Association Operating Funds - 2010

(in thousands)

	<u>2010</u>	<u>2009</u>
Revenues		
Assessment	\$5,061	\$4,826
Vehicle Registration & Service Agreements	912	928
Other income	677	520
	<u>\$6,650</u>	<u>\$6,274</u>
 Expenses		
Operations	6,107	5,962
Depreciation	404	377
Income taxes	16	(140)
	<u>6,527</u>	<u>6,199</u>
 Excess of revenues over (under) expenses	 <u>\$123</u>	 <u>\$75</u>



Association Reserve Funds – 2010

(in thousands)

	<u>2010</u>	<u>2009</u>
Revenues		
Assessment	\$1,432	\$1,349
Other income	7	20
	<u>\$1,439</u>	<u>\$1,369</u>
 Expenses		
Reserve Projects	942	977
Income taxes	(1)	1
	<u>941</u>	<u>978</u>
 Excess of revenues over expenses	<u>\$498</u>	<u>\$391</u>



Marinas - 2010

(in thousands)

	<u>2010</u>	<u>2009</u>
Revenues		
Dues & Boat Storage	\$ 1,142	\$ 1,244
Fuel/Merchandise Sales	276	284
Other	11	43
	<u>1,429</u>	<u>1,571</u>
Expenses *		
Operating Expense	1,232	1,252
Interest Expense	26	64
Depreciation	227	218
	<u>1,485</u>	<u>1,534</u>
Excess of revenues over (under) expenses	<u>\$ (56)</u>	<u>\$ 37</u>

** Includes cost of goods sold*



The Landings Company – 2010 and 2009

(in thousands)

	<u>2010</u>	<u>2009</u>
Total assets	\$ 1,471	\$ 1,596
Revenues		
Brokerage commissions	\$ 2,241	\$ 1,529
Other	925	927
	<u>3,166</u>	<u>2,456</u>
Expenses		
Direct costs	2,154	1,658
National marketing expense	530	442
General and administrative expense	603	726
Depreciation	35	41
Income tax benefit	(46)	(119)
	<u>3,276</u>	<u>2,748</u>
Net loss	<u>\$ (110)</u>	<u>\$ (292)</u>



Consolidated Statement of Revenues and Expenses

(in thousands)

	<i>Year Ended December 31</i>	
	2010	2009
Revenues		
Association Operating	\$ 6,648	\$ 6,273
Association Reserves	1,439	1,369
Marinas	1,429	1,571
Landings Company	3,167	2,445
	<u>12,683</u>	<u>11,658</u>
Expenses		
Association Operating	6,527	6,200
Association Reserves	941	978
Marinas	1,485	1,534
Landings Company	3,277	2,736
	<u>12,230</u>	<u>11,448</u>
Excess of Revenue over Expenses	<u>\$ 453</u>	<u>\$ 210</u>



Consolidated Balance Sheet

December 31,

(in thousands)

	<u>2010</u>	<u>2009</u>
Assets		
Cash & investments	\$ 5,867	\$ 6,058
Property, plant & equipment	5,813	4,949
Other Assets	931	1,163
Total	<u>\$ 12,611</u>	<u>\$ 12,170</u>
 Liabilities & Equity		
Bank debt	\$ 353	\$ 413
Other liabilities	852	806
Equity	11,406	10,951
Total	<u>\$ 12,611</u>	<u>\$ 12,170</u>



Community Real Estate and Marketing

Chuck Koepke
2010 Chairman of the Board



The Landings Company



Home Price Trends – All Landings

<u>YEAR</u>	<u>CLOSINGS</u>	<u>MEDIAN PRICE</u>	<u>AVERAGE PRICE</u>
2006	297	\$500K	\$578K
2007	193	510	590
2008	137	485	585
2009	99	425	499
2010	137	382	466
CHANGE (2006-2010)		-24%	-20%



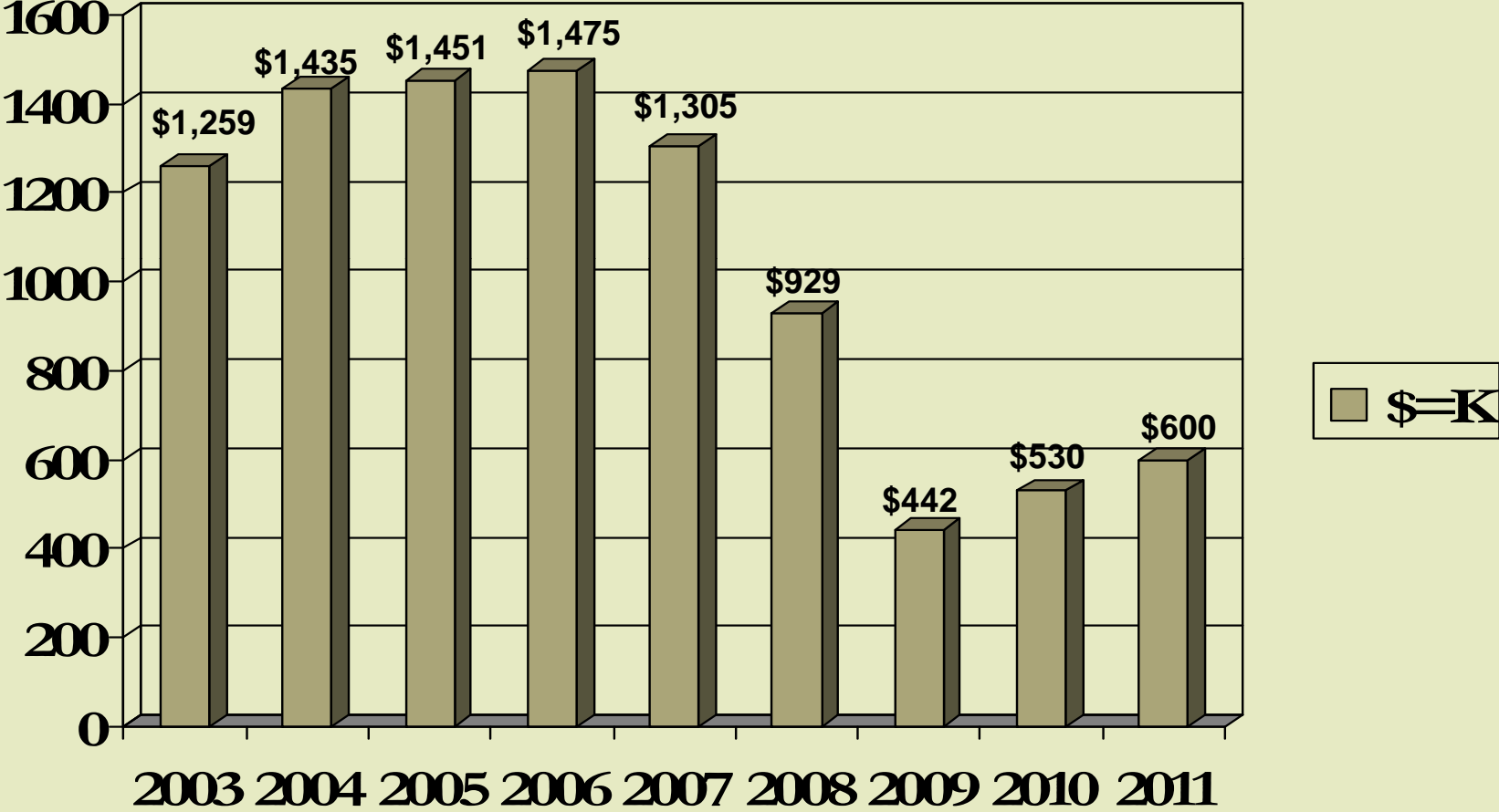
Home Supply Trends ... All Landings

<u>YEAR</u>	<u>INVENTORY</u>		<u>SALES</u>	
	<u>Number</u>	<u>Months</u>	<u>Days*</u>	<u>Discount*</u>
2006	161	6	83	5.3%
2008	231	20	113	10.7%
2010	270	24	148	14.2%

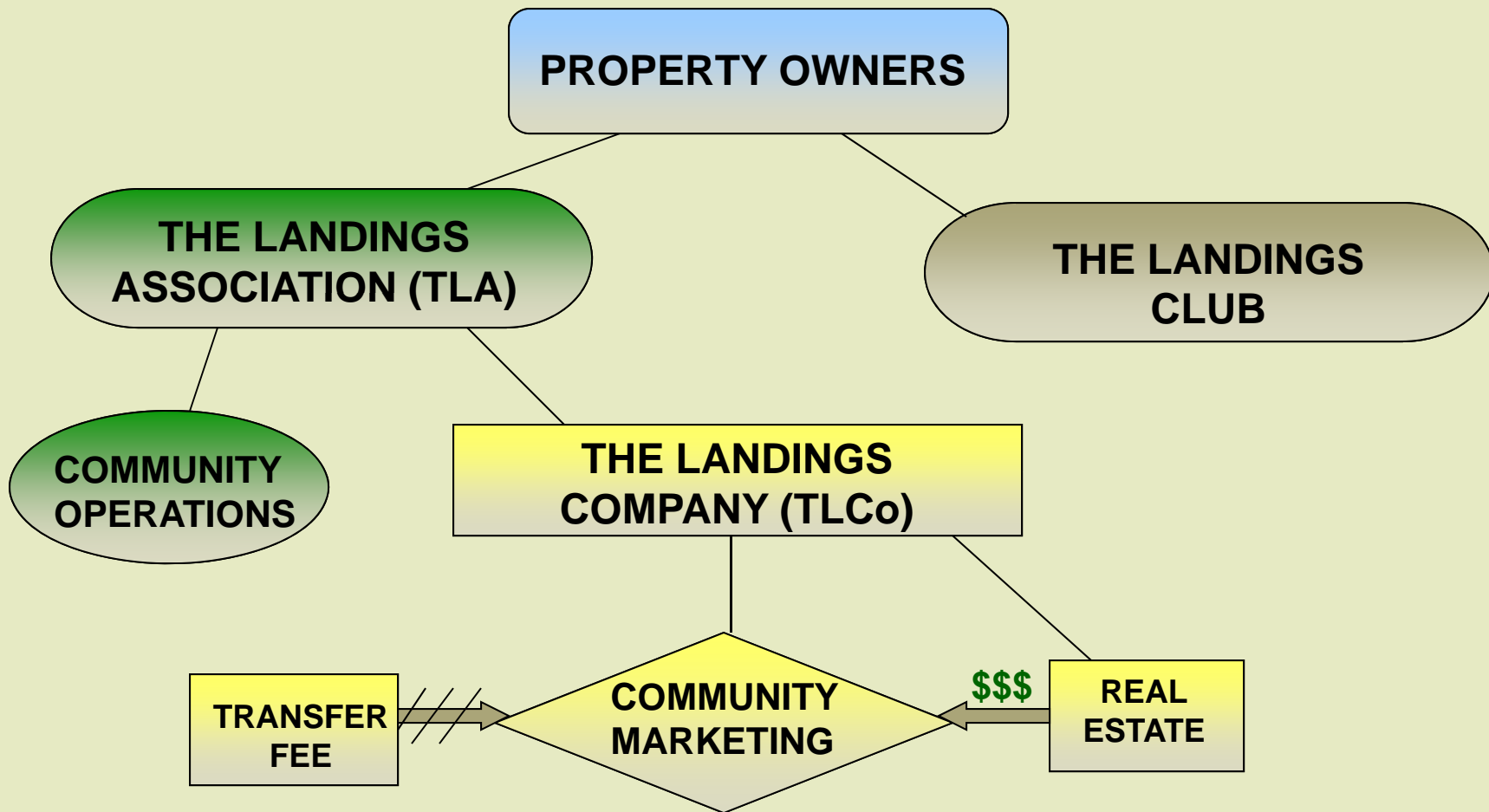
* Median Values



Marketing Spending



The Landings - Organization



Community Marketing \$\$\$\$... 100% The Landings Company

	<u>\$ K</u>		
	<u>2007</u>	<u>2010</u>	<u>2011E</u>
REAL ESTATE CASH FLOW	1200	400	400
TAX REFUND	0	150	0
CASH DRAW (BUILD)	<u>100</u>	<u>(20)</u>	<u>200</u>
MARKETING	1300	530	600
NET CASH @ YR-END	1030	540	340



Community Marketing Examples



New Airport Display



Landings Company Profile

MISSION

1. Community Marketing
 - Build Awareness & Bring Buyers
2. Real Estate
 - Close Deals & Fund Community Marketing

ORGANIZATION

- 4 Full Time & 4 Part Time Staff
- 23 Realtors
- Discovery Center



Landings Company Profile

MARKET POSITION

- 50 – 60% Market Share
- Competitive Commissions
- Sell All Listings

ECONOMICS (5 YR. AVG.)

- 60% of Gross Income from Listings
- 20+% Margins on Real Estate
- \$5,000 Per Closing to Marketing



Progress

- Hired “Marketing” President
- G&A / Overhead Expense Down 35% vs. 2007
- Enhanced Community Communications
- Partnership with Landings Club



What's Ahead?

■ THE MARKET

- Modest Recovery at Best
- The Landings is an Excellent "Product"

■ THE LANDINGS COMPANY

- Continuous Improvement
- Maximize Effectiveness of Marketing \$\$\$

■ THE LANDINGS ASSOCIATION

- Evaluate Options for Additional Marketing \$\$\$



New Marketing Video!





The Year Ahead

Jim McInerney
2011 President



2011 Board Committee Chairs

Executive	Jim McInerney
Finance & Audit	Milly Pitts-DiCicco
Governance	Jim Rich
Strategic Planning	Chuck Beck



Our Vision

- We Continue to be the Most Desirable Private Residential Community in the Coastal Southeast.



Concerns

- Delegal
 - Walkway
 - Creek: Cable and dredging
- Marinas
- Covenants: Vote in 2012
- Assessment: Vote in 2011 for 2012-2014
- National Marketing
 - Many hours invested in solution development
 - Trying to develop a clear and concise strategy
 - In process of gaining agreement from all stakeholders



Summary

- Debt Free
- Solid Operation
- Strong Financial Management
- Great Staff

Great Neighbors



Questions?

