



GM Leadership Report
John Viola – General Manager
Linda Martin – Sr. Director of Administration
January 24, 2026

GM Report

- Recommended FY 2026/2027 Budget
- Initiatives
- Storm Preparation
- Maintenance
- Leadership
- Metrics

Recommended FY 2026/2027 Budget

- Met with department heads (SME's)
- Bottom-up prepared proposed budget
- Forecasted current fiscal year
- Met with Budget & Finance Committee and Board
- Conducted DMA study with working session
- Reinvested in the assessment – a balance of retained earnings resulting from favorability to budget
- The team delivered one of the largest bodies of working during this process:
 - As mentioned, a reserve study (DMA)
 - OPVFD contract (a joint effort with OPVFD)
 - A solid recommended budget in a timely manner

Recommended FY 2026/2027 Budget

- Key items that were addressed:
 - Public Safety
 - Maintenance
 - Infrastructure:
 - Amenities – Food & Beverage, Aquatics, Golf, Racquet, & Recreation
 - Grounds – elimination of easement cutting (cost reallocation)
 - Roads – annual road evaluation and resurfacing
 - Bulkheads – review of bulkhead and developing a plan in line with DMA
 - Drainage – development of leaf program and maintenance on aging drainage pipes
 - Capital – plus a reserve study (DMA)
 - Initiatives – Fire Department and Food & Beverage

Recommended FY 2026/2027 Budget

- Bottom line
 - Assessment \$915
 - Bulkhead differential \$665
 - Put in perspective, last time in this range around 2013/2014 (last 6 years only raised two times)
- Linda will describe the process

Recommended FY 2026/2027 Budget

- First proposed budget posted 12/16/25
- Second version posted 1/9/26
- Budget and Finance presentation was held on 12/18/25
- Board review was held on 12/19/25
- Section 9.04 of the Bylaws:
 - The General Manager shall prepare a proposed annual budget and submit it to the Board of Directors not less than 90 days prior to the beginning of the fiscal year
- Section 5.14a of the Bylaws:
 - The board shall approve a budget for the ensuing year at least 45 days prior to the beginning of the fiscal year

Initiatives

South Station Firehouse Building

- Status: **green**
- Contract being presented today for approval to sign
- Timeline: to begin next month; estimated 60 weeks to complete



Golf Course Irrigation

- Status: **green**
- Timeline: phase II began in December; currently working on hole #4 and marking all new irrigation heads on holes #7 and #8



Initiatives

- Clubhouse Pavilion
 - Status: green
 - Next steps: bids for construction and Board approval
 - Timeline: December 2025-May 2026
- Yacht Club Kitchen
 - Status: green
 - Next steps: bids for construction and Board approval
 - Timeline: December 2025-May 2026
- Beach Club
 - Status: green
 - Next steps: bids for construction and Board approval
 - Timeline: December 2025-May 2026

Note: TOI will also invest funds in the above initiatives

Storm Preparation

- 2-4" of snow expected 1/24-1/26
- 6 plows will be in operation along with 5 other pieces of equipment
- 3 salt spreaders will also be used; 100 tons of salt available to use
- Street brining machine built by Public Works last year
 - Public Works began brining the roads and parking lots on 1/22
 - To be successful, can only be used during storms that do not start out as rain



Making brine solution



Applying brine solution to the road

Maintenance

- Kitchen floor redone at the Community Center by DCH Enterprise
- Total cost: \$3,850



Leadership

- Amenities are the economic engine of OPA
 - Maintain and enhance the amenities to enhance the customer experience
 - Want to give the association the best value for their assessment
- Senior Management
 - Eddie Wells, Steve Phillips, Linda Martin, Justin Hartshorne
 - Developing the team – this is part of succession planning



AMENITIES ARE THE
ECONOMIC ENGINE OF
OPA



DRIVEN BY OUR SENIOR
MANAGEMENT TEAM



RESULT OF A
CONSTRUCTIVE BOARD
AND THE ASSOCIATION

CPI Violation Dashboard

December

Violations

As of 12/1/25	New Violations	Closed Violations	As of 12/31/25
127	24	29	123

- 24 violations initiated in December: 1 driveway, 2 driveway border, 1 leaf maintenance, 2 maintenance, 1 multiple boat trailers, 6 no permit, 3 trash/debris, 3 tree, 5 unregistered vehicle
- 29 violations complied out; 123 remain open
 - 44 maintenance/trash/debris; 30 no permit; 2 trees; 47 miscellaneous
- 83 of the 123 violations still open are in legal

Work Orders December

Open Work Orders as of 12/1/25	New Work Orders	Closed Work Orders	Open Work Orders as of 12/31/25
211	30	112	129

- 30 work orders initiated in December: 4 bulkhead; 3 drainage; 2 grounds/landscaping; 4 roads; 1 sign; 16 general maintenance
- Majority still open in drainage (51):
 - 6 – over 30 days; 43 – over 60 days
 - Average 1-4 work orders a day to complete depending upon severity

Customer Service Dashboard

(from info@oceanpines.org)

December

Type	# Received – Dec.
Amenities	7
CPI	6
Drainage	0
General	25
Public Works	8
TOTAL	46

Questions? Concerns?



EMAIL

info@oceanpines.org



CALL

410.641.7717

After hours, call Ocean Pines Police at 410.641.7747.



Financials



MONTH OF DECEMBER 2025 FINANCIAL RESULTS

(in 000's)	DEC MTD Op Income/(Loss)		Favorable / (Unfavorable)
<u>Amenities:</u>	Budget	Current Year	Budget
Golf Combined	(70)	(75)	(5)
Aquatics	(39)	(36)	3
Beach Parking	12	12	0
Racquet Sports	(11)	(8)	3
Marinas	(4)	(5)	(1)
Food & Beverage	34	33	(1)
Subtotal Amenities	(78)	(79)	(1)
Recreation & Parks	(36)	(34)	2
<u>Safety:</u>			
Police	(170)	(164)	6
Fire/EMS	(96)	(96)	0
<u>Support:</u>			
Administration/GM Office	(26)	(58)	(32)
Pub Works/CPI/Gen Main	(168)	(140)	28
Finance	(71)	(58)	13
Marketing	(7)	2	9
TOTAL	(652)	(627)	25

DECEMBER 2025 YTD FINANCIAL RESULTS

(in 000's)	DEC YTD Op Income/(Loss)		Favorable / (Unfavorable)
	Budget	Current Year	Budget
<u>Amenities:</u>			
Golf Combined	607	633	26
Aquatics	153	117	(36)
Beach Parking	561	544	(17)
Racquet Sports	31	(25)	(56)
Marinas	281	333	52
Food & Beverage	369	370	1
Subtotal Amenities	2,002	1,972	(30)
Recreation & Parks	(324)	(277)	47
<u>Safety:</u>			
Police	(944)	(902)	42
Fire/EMS	(769)	(769)	0
<u>Support:</u>			
Administration/GM Office	5,240	5,302	62
Pub Works/CPI/Gen Main	(1,550)	(1,466)	84
Finance	(629)	(509)	120
Marketing	(166)	(100)	66
TOTAL	2,860	3,251	391

UNAUDITED RESERVE SUMMARY

DECEMBER 2025 (\$ MILLIONS)

	General Replace	Bulkheads	Roads	Drainage	New Capital	Total
4/30/25 Balance	\$ 4.8	\$ 0.2	\$ 1.1	\$ 0.1	(\$ 0.2)	\$ 6.0
Contributions/Interest	2.2	1.0	-	-	0.1	3.3
Casino Funds	-	-	0.3	0.3	-	0.6
Transfer (Spend)	(1.2)	(0.6)	(0.2)	-	(0.1)	(2.1)
12/31/25 Balance	\$ 5.8	\$ 0.6	\$ 1.2	\$ 0.4	(\$ 0.2)	\$ 7.8
FY26 EST Transfer (Spend)	(1.4)	(0.6)	-	(0.1)	0.2	(1.9)
4/30/26 EST Balance	\$ 4.4	-	\$ 1.2	\$ 0.3	-	\$ 5.9



OCEAN PINES, MARYLAND

Treasurer's Report - Monica Rakowski

Cash & Short-Term Investments

Month of December

- As of December 31, 2025, the Association had approximately (~) \$14.2M in Cash
 - Cash Decreased ~ \$900K from the Same Time Period Last Year
 - Cash Decreased ~ \$1.4M from November 2025
 - \$8.0M Invested in CDAR's
 - \$45K in Interest Income Recognized for the Month
 - Remaining \$6.2M in Insured Cash Sweep, Treasury Bills, Money Market and Other Operating Accounts (Diversified Between 2 Local Banks)



Addendum



Addendum

Water & Wastewater

- Press release sent out by Chip Bertino on November 10th details the increase (see addendum)
- County approved increase in quarterly water bills, averaging a triple fee compared to prior quarter
- This effects not only individual properties, but Ocean Pines facilities as well, with the increase being reflected in the proposed budget
 - \$21 on assessment
 - Could be adjusted if pricing increase at individual amenities

Ocean Pines Association Worcester County Water/Sewer Expense

	October YTD 25/26		
	Budget	Actual	Variance
Admin	9	44	(35)
Aquatics	18	33	(15)
Golf	5	14	(9)
Racquet	2	4	(2)
Marina	2	3	(1)
OPA Subtotal	36	98	(62)
Food & Beverage *	11	27	(16)
Total	47	125	(78)

	Full Year 25/26		
	Budget	Estimate	Variance
Admin	18	117	(99)
Aquatics	31	56	(25)
Golf	11	35	(24)
Racquet	4	13	(9)
Marina	3	6	(3)
OPA Subtotal	67	227	(160)
Food & Beverage *	22	63	(41)
Total	89	290	(201)

* There is no OPA FY25/26 Water/Sewer budget for Food & Beverage, as these costs are billed to TOI.
Food & Beverage numbers included in the budget column above represent the actual expenses incurred last fiscal year.

Addendum

Public Safety Increases to Assessment

FIRE/EMS

Fiscal Yr	Description	Cost	Assessment Dollars
2022-23	Addition of 3 FT Positions	\$ 297,593	\$ 35
2022-23 & 2023-24	Revenue Increases	\$ (99,723)	\$ (12)
2022-23 & 2023-24	Apparatus Funding Increase	\$ 110,671	\$ 13
2024-25	Revenue Increases (Net)	\$ (30,667)	\$ (4)
2025-26	Apparatus Funding (75/25 Effect)	\$ 133,324	\$ 16
2026-27	New Firehouse Building (Est Annual Depreciation)	\$ 100,000	\$ 12
TOTAL INCREASES		\$ 511,198	\$ 60

POLICE

Fiscal Yr	Description	Cost	Assessment Dollars
2023-24	Mark to Market	\$ 72,853	\$ 9
2024-25	401K Profit Sharing	\$ 150,000	\$ 18
2024-25	Mark to Market	\$ 89,994	\$ 11
2024-25	Axon/Lexipol & Other Contracted Services	\$ 38,509	\$ 5
2024-25	Decrease FTE	\$ (76,000)	\$ (9)
2025-26	Accumulated Depreciation Increases for Vehicles	\$ 56,531	\$ 7
2025-26	Wages and Benefit Increases	\$ 98,580	\$ 12
TOTAL INCREASES		\$ 430,467	\$ 51

Addendum Public Safety Increases to Assessment

POLICE CRUISERS

	Annual Depreciation	Annual Assess Dollars	Accumulated Assess \$'s
Base Year (7 Vehicles):			
(2) 2018 Police Ford Interceptors	6,391	1	1
(1) 2016 Pick-up Truck	659	0	1
(3) 2021 Dodge Durangos	10,140	1	2
(1) 2020 Chevy Tahoe	4,233	0	3
FY22-23 (Add 3 Vehicles):			
(3) 2022 Chevy Tahoes	16,134	2	4
FY24-25 (Add 4 Vehicles):			
(2) 2024 Dodge Durangos	17,360	2	6
(2) 2025 Dodge Durangos	17,710	2	9
FY25-26 Estimate:			
(1) 2025 Dodge Durango	10,582	1	10
Total Vehicles (15)	83,209	9.8	

	20-21	21-22	22-23	23-24	24-25	25-26	26-27
Police Total Depreciation	106,070	128,337	139,747	142,896	163,201	180,517	177,920
Assessment Dollars Reserve Contrib	13	15	17	17	19	21	21