

## Orchard Villa HOA Budget Items - General Descriptions

**INCOME:** The bulk of our income is generated by two and three bedroom units paying assessment fees. A much smaller portion comes from the interest earned on savings accounts and reserve fund certificates of deposit.

**EXPENSES:** The HOA budget is divided into operating and maintenance expenses (i.e., those items that are annual costs to operate and maintain the association) as well as reserve expenses. Funds from the reserve are used to pay for all maintenance projects that occur on a periodic schedule, but not annually. A glossary of the expense items found in our proposed budget for 2010 follows below.

### UTILITIES:

**Water/Sewer/Garbage:** A bill from Moab city comes in for water, sewer and garbage pickups for every unit and the swimming pool. The utility line items have been broken out by the association to track water usage.

**Storm sewer:** This is a new fee from the city used to fund future stormwater run-off projects.

**Dumpsters:** Currently there are two "yard waste only" dumpsters in the gravel lot, although we have requested this be reduced to just one as the need does not merit two loads per week. Pickup is on Wednesdays.

### LANDSCAPING/ GROUNDS:

**Lawn care:** Lawn care service is a weekly mow from April through October (30 weeks) plus one time in December to mulch the debris. This includes bi-weekly string trimming.

**Fertilizing/weed spraying:** Three grub treatments, fertilizing treatments.

**Aireate:** Make holes in the lawn surface to increase oxygen and moisture penetration (entire grounds once, the fronts a second time later in the season).

**Edge:** Two times hard edge along the cement of the entire grounds.

**Lawn care other:** Funds for any miscellaneous lawn care item that arises during the year.

**Clear fence lines:** Two times a year, to keep debris away and prevent fire hazard and fence damage.

**Trees, maintenance:** Trim/prune in the spring and fall; removal of undesirable and dead trees; the cost of buying and planting replacements.

**Trim bushes/bed weeding:** Spring trim of HOA common area bushes and grasses, weeding of the HOA areas two times during the season.

**Pest control:** 8 months of general pest spray around buildings (unless homeowners have requested that their units not be sprayed), includes reviewing exteriors for termite damage.

**Maintenance other:** Funds set aside for unforeseen maintenance costs.

### SPRINKLERS:

**Sprinkler maintenance:** Weekly repair service and watering/timer adjustments throughout the watering season.

**Sprinkler start up/shut down:** Two services, one to start up the system in the spring and another to blow out the system and shut it down for the winter months.

**Sprinkler parts:** Estimated funds needed annually to replace faulty system heads, timers, timer boxes, & controller valves.

### SWIMMING POOL:

**Electricity:** Utility bill for the lights, the bathroom electrical heat, electrical pump and the building.

**Gas:** Utility bill for the gas used to heat the pool.

**Health Dept. testing:** State tests for monitoring the water quality during seasonal use.

**Pool operator:** State licensed person to operate and clean the pool, check chemicals, manage chemicals and monitor the system, open and close the pool cover daily. Also maintains the bathrooms.

**Pool maintenance:** Cost for miscellaneous repairs to the filter and pump during the season, and safety and cleaning equipment.

**Pool supplies:** Mostly pool chemicals, test kits, and bathroom supplies as needed.

### ADMINISTRATION:

**Postage/PO Box:** Stamps used for mailings, HOA PO Box rental.

**Website:** Renewal of domain name, hosting package, and website creation software.

**Supplies:** Paper, envelopes, folders, ink, and miscellaneous business supplies.

**Miscellaneous:** Safe deposit box, re-order of checks, etc.

## **PROFESSIONAL:**

**Meetings:** Pays for a one time rental at the Grand Center for our annual meeting. The rest of the year we meet at the public library for free.

**Corporate license:** Renewal of corporate papers.

**Taxes:** Funds to cover the income tax returns for our homeowners association.

**Accountant:** A CPA firm manages our books and also picks up mail, generates quarterly assessment mailings, and prepares and files our taxes.

**Legal:** The board sets aside funds to retain a law firm to review our documents, and be on retainer for any legal issues in the future.

**Insurance:** The HOA maintains an insurance policy with a blanket hazard policy to cover the buildings and common area for liability and damages.

**Contingency Fund:** An amount set aside for emergency, unbudgeted expenditures. If not needed by year's end, the money that remains is transferred to the reserve funds.

## **Reserve Projects Scheduled for 2010 (estimated cost in parenthesis)**

**Inspect Roofs:** Inspect all roofs and replace broken and cracked roof tiles (\$5,100).

**Seal Coating Streets:** This procedure will protect against oxidation and spills by spreading a light coat of sand and oil over the street surface. It prolongs the life of the pavement at a fraction of the replacement cost. Asphalt is basically sand, gravel and glue. The glue used to keep the sand and gravel together is asphalt, a heavy by-product of oil refining. While sand and gravel do not deteriorate significantly, the asphalt binder does due to oxidation, solar radiation, pollution and chemicals spilled from vehicles. The price of this project is tied to the price of oil (\$14,700).

**Concrete Repair:** Replace broken curbs and rain gutters at the east and west entrances of the RV Park, including sidewalk at the mailbox. Replace a half dozen broken sidewalk panels and broken concrete driveway panels as the budget allows (\$8,000).

**Paint Pool Fence:** Remove rust and paint pool fence (\$4,200).

**Paint Pool Bathrooms & Pool House Door Jambs and Doors:** (\$1,100).

The estimated cost for all five maintenance projects to be funded from our reserves comes to \$33,100. We estimate that Orchard Villa will start the year with a reserve fund balance of \$44,530. Assessment payments in 2010 will add \$30,490 to the fund, while at the same time the reserve projects listed above will draw the fund down \$33,100. As a result, we project that by year's end, the reserve fund balance will be about \$42,800.

## **Maintenance Projects Completed in 2009**

### **Planned Expenses:**

1. **Stucco Repair:** Patched and painted water damage and holes in stucco on all buildings. Also filled in cable holes (\$8,600).
2. **Courtyard Wall Repair:** Shored up three courtyard walls (\$3,390).
3. **Paint & Repair Gates:** Repaired 21 gates and painted 50 gates (\$8,250).
4. **Swimming Pool Complex:** Installed an anti-suction grate to meet federal standards (\$480). Installed a new door on the men's bathroom (\$216). Installed commercial door closures (\$190). Painted door jambs (\$150).
5. **400 North Entrance:** Installed a traffic mirror (\$400). Leveled dirt and installed a drip system and landscaping in first 70 feet (\$1,138).
6. **Underground Utility Survey for Proposed Storm Drain** (\$800-\$1,000).

### **Unplanned Expenses:**

1. **Replaced Six Valves in the Sprinkler System** (\$3,800).
2. **Repaired Broken Water Line:** Building 15 (\$825).
3. **Fence Repair:** Replaced 13 broken fence posts with steel poles (\$2,250).
4. **New Pool Cover** (\$1,850).