

2015 Budget & Assessment Summary

The Orchard Villa Board approved the Association's 2015 budget at its December 13th board meeting. The total budget for 2015 is \$174,000. This represents a 2.65% increase in assessments from the 2014 budget of \$169,500. In order to fund this budget, assessments for 2015 are as follows:

- ✓ Two bedroom units: \$182.28 per month or \$546.85 per quarter
- ✓ Three bedroom units: \$219.46 per month or \$658.39 per quarter

If your financial institution automatically pays your invoice, please see that the above changes are made.

The new budget breaks down as follows: \$120,000 to be used for Operations & Maintenance (O&M) and \$54,000 to be set aside for our reserve fund. These two components of the budget are discussed in more detail below. The good news is that Orchard Villa will end the year with a surplus that enables us to bump the current balance of the reserve fund to \$79,000, some \$4,000 higher than anticipated. We appreciate that our homeowners are paying their assessments on time. This keeps our routine operations running smoothly, and provides us with the contingency funds that cover any unexpected expenses. It also ensures that our reserve fund will cover all planned capital improvements and large maintenance projects without resorting to special assessments. To comply with state law, we will continue breaking out assessment notices to show that part of your payment going toward the reserve fund.

2014 in Review

This year was notable for the fact that we spent nearly \$80,000 on reserve fund projects to improve our infrastructure. The first 4 buildings on West Hale were double-coated with protective elastomeric paint, and had their courtyard gates painted and concrete patios and doorsteps raised and caulked as necessary. Several other housing units had door jambs repaired and painted.

An improved drainage system was built at the west end of Hale Street to fix a long-standing issue with flooding during severe storms. Termite treatment was applied to one residential building, and we crack-sealed and seal coated our roads. We also lowered and leveled the fence that screens the RV parking lot and changed the plantings in front of it.

Considerable pool area maintenance was conducted this year as well. A remote temperature monitoring system was installed in the pool building to prevent bathroom pipes from freezing during the winter. The single-sided pool railing was replaced by a double railing, a broken seal was replaced in the pump, and a small animal-infested storage vault for the machinery operating the pool cover was cleaned out.

2015 Operation and Maintenance (O&M) Budget

The 2015 O&M budget is \$120,000, unchanged from 2014. This covers the routine costs of operating and maintaining common areas, buildings, and grounds on a yearly basis. In order to hold costs steady, we are assuming that the cost of heating our pool will drop following the installation of a solar pool heater this coming spring. We also performed pool maintenance updates in 2014 that we should not have to repeat next year. The budget still has \$8,500 set aside to fund any unanticipated expenses that occur.

2015 Reserve Fund Budget

Our "reserve funds" are savings accounts that provide funding for capital improvements and large-scale maintenance projects that occur periodically, but not on an annual basis. The reserve is being funded as planned, meaning that we always maintain a minimum year's end balance of \$40,000, with \$10,000 set aside to cover our master insurance policy deductible. At the end of 2014, we will still have \$79,000 in reserve, despite spending close to \$80,000 on large-scale buildings, roads, and grounds improvements. In 2015, we plan to add an additional \$54,000 to it, while spending about \$59,000. This will leave our reserve fund at approximately \$74,000 by the end of 2015.

In 2015, our emphasis will primarily be on building improvements, with two exceptions. We plan to spend a little over \$59,000 on the following improvements to our community:

1. **Apply elastomeric protective paint coatings to the remaining 4 buildings on the north side of West Hale**
2. **Repair settled concrete, caulk patios, paint door jambs and gates for the same 4 buildings**
3. **Install a solar pool heater (the first in Moab)**
4. **Install a missing water main shut-off for one of our residential buildings.**

This will be the second year of major maintenance upgrades to our buildings. We plan on finishing work to all buildings, including the pool house, by mid-2017 without having resorted to a special assessment.

A summary of the O&M and reserve fund budget for next year follows below:

2015 ORCHARD VILLA BUDGET SUMMARY			
CATEGORY	2015 BUDGET	2015 % OF TOTAL ASSESSMENT	BRIEF DESCRIPTION
ACCOUNTANT & TAXES	\$7,075	4%	Larson & Co. accounting firm in Moab. Creates & mails assessment statements, collects assessments, pays invoices & income taxes, creates monthly financial reports, tracks budget & homeowner insurance declarations.
ADMINISTRATIVE	\$1,700	1%	Board member travel expense (to board meetings), postage, fall party, office supplies, safe deposit box, web site
CONTINGENCY ¹	\$8,500	5%	Unplanned maintenance & repairs (e.g., fences, snow removal & legal costs)
GROUNDS MAINT.	\$41,100	24%	Mowing, fertilizing, tree trimming, sprinkler O&M
INSURANCE	\$15,700	9%	Insurance on buildings and pool
POOL	\$8,375	5%	Pool operator fees, natural gas, electricity, chemicals
UTILITIES	\$37,550	22%	Garbage collection, sewer, water, dumpsters
O&M SUBTOTAL	\$120,000	69%	
RESERVE CONTRIBUTION	\$54,000	31%	Planned capital improvements & large maintenance projects
TOTAL BUDGET	\$174,000	100%	

1. In 2014, Contingency was rolled into the other budget categories. In 2015, Contingency is identified separately.

Just like this year, any surplus O&M monies will roll over into the reserve fund at the end of 2015.

Happy Holidays

So far it's been a very mild winter in Moab this year, not spoiling any holiday festivities. The members of your Orchard Villa Board also hope that you and your loved ones are participating fully in the joyous events of the season. Happy holidays to all! May you enjoy good health, happiness, peace, and love in the company of those you cherish.

Your Board of Trustees, Orchard Villa Homeowners Association:

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Vice President - Reta Trimble (801-372-1484)

Vice President - Christine Kallmeyer (435-259-6282)

Vice President - Aaron Davies (newly appointed at our annual meeting in October)