

2016 Budget & Assessment Summary

In early December, your Orchard Villa Board approved the Association's 2016 budget. The total budget for the year is \$178,500, up 2.59% from the 2015 budget of \$174,000. As a result, assessments for 2016 are as follows:

- ✓ Two bedroom units: \$187.00 per month or \$560.99 per quarter
- ✓ Three bedroom units: \$225.14 per month or \$675.41 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: \$122,000 to be used for Operations & Maintenance (O&M) and \$56,500 to be set aside for our reserve fund. These two components of the budget are discussed in more detail below. We thank our homeowners for almost always paying their assessments on time. This keeps our routine operations running smoothly, provides us with the contingency funds that pay for any unexpected expenses, and ensures that our reserve fund will cover all planned capital improvements and large maintenance projects without the need for special assessments. In compliance with state law, we will continue to break out your assessment notices to show what portion of your payment goes toward funding the reserve.

2015 in Review

This year was notable for the completion of the following buildings and grounds improvements:

1. Two coats of protective elastomeric paint were applied to four more buildings on the north side of West Hale. The buildings' courtyard gates were painted, their patios caulked, and their door jambs repaired and replaced as necessary.
2. Corrected uneven concrete, particularly blocks with variances greater than half an inch.
3. Installed a solar pool heater that is already saving us \$1,000 per year in natural gas costs.
4. Repaired waterline breaks on West Hale and Alberta Court.
5. Installed a flower bed around the tree just inside the RV lot entrance and leveled out the front RV lot fence posts.
6. Due to vandalism, the keyed pool lock was replaced with a keypad lock.
7. To deter future vandalism, we have installed new motion sensor lights inside the pool area.

2016 Operation and Maintenance (O&M) Budget

The 2016 O&M budget is \$122,000, an increase of \$2,000 from 2015. This funding will cover the routine annual costs of operating and maintaining our common areas, buildings, and grounds. While many of these costs have stayed relatively unchanged from 2015, we did see a \$1,100 hike in our HOA master insurance policy annual premium. We also bumped up our utility maintenance budget \$1,000 in case we have to repair more water line breaks like the two which occurred in 2015. As in past years, any surplus O&M monies at the end of the year will be rolled over into the reserve fund.

2016 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 2015, the reserve will have a little more than \$85,000 in it. In 2016, we plan to collect \$56,500 for the reserve, while spending \$56,100 on building improvements. This will leave our reserve fund at about \$85,350 by the end of next year.

In 2016, the emphasis will again be on improvements to our homeowners' buildings. We plan to spend our reserve funds on the following projects:

1. \$44,000 on applying two elastomeric protective paint coats to the four residential buildings on Alberta Court.
2. \$12,100 to repair settled concrete, caulk patios, paint door jambs and gates for the same four buildings.

Still to be determined is whether or not to install a missing water main shut-off for one of our residential buildings (a carry-over project from 2015).

This will be the third year of major maintenance improvements to our buildings. We plan on finishing work to the six buildings that remain, including the pool house, by mid-2017 without having resorted to a special assessment. After that, our focus will turn to replacing our fences.

Happy Holidays

Evidently we are going to have a winter season this year, since a mid-December storm has just dumped anywhere from 6 to 12 inches of snow on Moab. We ask that our homeowners who are absent this winter, please have in place strategies to avoid frozen pipe ruptures, water damage to our buildings, and their own long-distance headaches. Wherever you are this holiday season, your Orchard Villa Board of Directors heartily wishes that you enjoy good health, happiness, peace, and love in the company of all those you cherish.

Your Board of Trustees, Orchard Villa Homeowners Association:

President - Marc Thomas (435-259-3603)

E-mail us at tomasso3@yahoo.com

Vice President - Alan Gillette (801-230-4932)

Online at <http://www.orchardvilla.net/>

Vice President - Stacy Dezelsky (435-210-1097)

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

Vice President - Gail Solomon