

## 2014 Budget & Assessment Summary

The Orchard Villa Board approved the Association's 2014 budget at its mid-December board meeting. The total budget for 2014 is \$169,500. This represents a modest 3.8% increase in assessments from the 2013 budget of \$163,352. In order to fund this budget, assessments for 2014 are as follows:

- ✓ Two bedroom units: \$177.57 per month or \$532.71 per quarter
- ✓ Three bedroom units: \$213.79 per month or \$641.37 per quarter.

The new budget breaks down as follows: \$120,000 for the yearly Operations & Maintenance (O&M) and \$49,500 for the reserve fund. These two components of the budget are discussed in more detail below. The good news is that Orchard Villa's financial position is healthy. Assessments are being paid in a timely manner; O&M spending has been kept in line with what is budgeted; and the reserve is funded sufficiently to cover planned capital improvements and large maintenance projects without resorting to special assessments. **To satisfy new Utah HOA law, we are now displaying on assessment notices the portion of your payment being invested in the reserve fund.**

## 2013 in Review

As noted above, the budget for 2013 was \$163,352. Of this, \$115,150 was allocated to O&M with the remaining \$48,202 set aside for reserve funding. By year's end, it's estimated that we will have spent \$114,621 on O&M with the small balance left over going into the reserve fund. We did incur some unexpected expenses in 2013, such as repairs to the pool equipment, replacement of the pool cover, and repairs to the fence, roofs, and pipes. We were able to make these repairs and stay within the O&M budget because it included \$9,000 set aside expressly for contingencies. Since it is important to plan for the unexpected, the 2014 budget also includes a similar amount of contingency funding.

On the reserve front, we carried out a project that addressed doorjamb in need of painting and repair. We had planned to tackle the drainage issue at the west end of Hale Ave., but this has been delayed until next year. The good news is that we have been able to build up the reserve fund to the point where we can begin our elastomeric protective coating project in 2014 without the need of a special assessment.

## 2014 Operation and Maintenance (O&M) Budget

The 2014 O&M budget is \$120,000. This covers the costs of operating and maintaining common areas, buildings, and grounds on a yearly basis. It does not include the cost of periodic capital improvements and larger maintenance projects that do not occur annually. These projects are funded out of our reserve fund as discussed on the back of this page. A summary of the O&M budget for next year is as follows:

CATEGORY	2014 BUDGET	% OF TOTAL ASSESSMENT
ACCOUNTANT	\$ 6,325	4%
ADMINISTRATIVE	\$ 2,450	1%
GROUNDS MAINT.	\$ 40,900	24%
INSURANCE	\$ 15,400	9%
LEGAL	\$ 2,000	1%
POOL	\$ 10,250	6%
REPAIRS	\$ 6,000	4%
TAXES	\$ 75	0%
UTILITIES	\$ 36,600	22%
O&M SUBTOTAL	\$ 120,000	71%
RESERVE CONTRIBUTION	\$ 49,500	29%
TOTAL BUDGET	\$ 169,500	100%

It should be noted that the “LEGAL” line is purely for contingency reasons. We did not spend any funds on legal fees in 2013 and do not expect to spend any in 2014. There is an increase in our groundskeeping budget because we are switching over to the use of organic fertilizer, herbicides and pesticides. Just like this year, any unspent O&M monies will roll over into the reserve fund.

### **2014 Reserve Fund Budget**

The “reserve” is a savings account that provides funding for capital improvements and large-scale maintenance projects that do not occur on a yearly 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 2013, we will have approximately \$109,000 in reserve. In 2014, we plan to add an additional \$49,500 to it, while spending \$83,600. This will leave our reserve at approximately \$74,900 by the end of 2014.

Next year will be a busy year for reserve-funded projects. We have budgeted spending \$83,600 on the following Association improvements:

- 1. Apply elastomeric protective coatings to 4 buildings**
- 2. Seal coat roads**
- 3. Inspect all roofs and repair as necessary**
- 4. Perform termite eradication on one building**
- 5. Repair settled courtyard walls**
- 6. Remedy the drainage problem at the west end of Hale Ave.**
- 7. Paint approximately 1/3 of courtyard gates on an as needed basis.**

Regarding the elastomeric coating project, our plan is to repair and coat all buildings over the next 4 years. This will be accomplished by coating 4 buildings each year from 2014-2016, and then coating the final 6 buildings, including the pool house, in 2017.

### **Swamp Coolers and Frozen Pipes**

We cannot stress enough that it is imperative your swamp cooler not leak onto the roof. It is bad for the roof, bad for the gutters, bad for the building walls, and bad for our grounds. Please remember that homeowners are fiscally responsible for any damages to the exterior of a building due to leaky swamp coolers.

With the constant below freezing temperatures that we have had in Moab during 3 of the last 4 winters, the Board is once again warning homeowners to protect their units against pipes freezing. If you are going to be absent from Moab during the winter, please do not turn the heat totally off in your unit. In addition, provide a neighbor or board member with access to it in order to check on the status of your pipes. Your assistance will be appreciated and may eliminate an unwelcome surprise for you whenever you come back to Moab.

### **Happy Holidays**

Despite the fact that a cold winter seems to be the new norm in Moab, your Board sincerely hopes that you are enjoying good health, happiness, peace, and love in the company of friends and family. Happy holidays to all!

### **Your Board of Trustees, Orchard Villa Homeowners Association:**

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Vice President - Marc Thomas (435-259-3603)  
Vice President - Alan Gillette (801-230-4932)  
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