

# West Meadows Estates Homeowner's Association, Inc. 2017 Approved Budget

ITEM			2016 Budget	2016 Actual	2017 Budget
FACILITY RENTAL			\$500.00	\$0.00	\$250.00
*1 UNPAID DUES (6 Homes x \$150.00) to Accts Rec			\$900.00	\$900.00	\$900.00
*2 Landscape loan (repayment to reserve fund)					\$7,000.00
<b>GENERAL MAINTENANCE</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	\$400.00	\$692.75	\$2,500.00
Port. Sign Maintenance	\$492.00	\$300.00			
Lights / Sprinkler Repair	\$118.75	\$200.00			
*3 Wall/Entry Sign Repair	\$82.00	\$2,000.00			
<b>INSURANCE</b>	<b>2016 Actual</b>	<b>2017 Budget</b>			
Commercial Gen Liability	\$782.25	\$782.25			
Professional Liability	\$3,183.00	\$3,183.00			
<b>LANDSCAPE MAINTENANCE</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	\$5,000.00	\$5,490.00	\$6,300.00
*3 General Maintenance	\$5,490.00	\$4,800.00			
*3 Bark					
*3 Plants/trees/spray		\$1,500.00			
<b>OPERATING EXPENSES</b>					
Licenses / Permits / Taxes / Bank & Recording Fees			\$50.00	\$60.00	\$75.00
Post Office Box Rental			\$89.00	\$82.00	\$86.00
Postage & Delivery			\$400.00	\$248.62	\$350.00
Printing			\$800.00	\$970.80	\$1,000.00
PROFESSIONAL FEES (excess to prof-fee fund)			\$6,400.00	\$6,400.00	\$7,000.00
*4 Legal Fees (\$70.00 & \$1,830.00 Transfer)					
Tax Prep (\$300.00)					
Compliance (\$4,200.00)					
Supplies / Office / Miscellaneous			\$200.00	\$213.37	\$250.00
Web Hosting and Maintenance, Multi-year			\$250.00	\$0.00	\$250.00
Welcome Committee			\$1,500.00	\$1,543.34	\$1,500.00
<b>UTILITIES</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	\$3,000.00	\$3,253.65	\$3,400.00
Electric	\$359.44	\$400.00			
*5 Water	\$2,894.21	\$3,000.00			
RESERVE FUND			\$12,180.00	\$12,180.00	\$12,180.00
TOTAL			\$35,634.25	\$35,999.78	\$47,006.25
*2 Landscape Repair (one-time expense paid from reserve fund)					\$79,162.64
Reserve Fund Balance 12-31-16					\$3,282.32
*4 Working Capital in Checking Account on 1-23-17					\$7,842.57
*4 Professional Fee Reserve Account on 1-23-17					\$9,078.00
Late Fee & Compliance Reserve Fund on 12-31-16					\$13,575.48
*1 12-31-16 Accounts Receivable after \$3,348.18 bankruptcy write-off					\$15,003.61
*6 \$47,006.25 / 273 developed properties = \$172.18. Recommended dues for 2017:					\$175.00

1. In 2016, six HOA members were either unable or unwilling to pay dues. We expect the situation to be the same in 2017. We have filed liens and have attained judgments as appropriate. In some cases, we are able to collect delinquent dues when properties sell or when our attorney is successful at collections. With the economy improving and home values increasing, there is more leverage when making collections. Collection costs are usually recovered, except in the event of a bankruptcy. One 2016 bankruptcy resulted in a write-off of \$3,348.18 (includes dues, late fees, fines and attorney fees).
2. In 2016, we spent \$79,162.64 for landscape installation and repair. The repair along Doaks Ferry is an allowable reserve fund expense. All new landscape along Orchard Heights was paid for using general fund revenues and a \$20,986.00 loan from the reserve fund. State law requires repayment of any funds borrowed from the reserve fund. The loan will be repaid by a \$7,000.00 annual payment until repaid, at which time the funds can be redirected, used to rebuild the reserve fund or reduce dues.
3. After the change in landscape, the Board posted a Request for Proposal for a possible new landscape contractor. The Board received five proposals, with one recommending the existing contractor. The budget is based on the lowest bid, which came from our existing contractor. He meets all our requirements and has done an excellent job in the past. The other bids were \$1,500.00 to \$11,000.00 more per year. We also provided a \$1,500.00 set aside for additional trees, shrubs and repair of a drain that is failing. This year we had considerable problems with the imitation rock falling off the wall. Money was put in the budget to reset stones damaged by the freeze and to clean and re-seal the entire wall. The work will be done by community volunteers.
4. Budgeted legal funds, not expended, are placed in the legal reserve fund for years the budgeted amounts are not adequate. \$1,830.00 was transferred on 1-23-17 to close out 2016 expenses, which is usually shown as a year-end number. The goal has been to acquire a \$15,000.00 reserve legal fund for unexpected legal expenses.
5. The area of irrigated landscape has increased by 60%. The new landscape is designed to be drought tolerant and should require less water, but the increased water rates may offset expected savings. The estimated increased budget should be adequate to cover expenses.
6. Yearly increases in dues-paying properties have allowed the Board to maintain dues at \$150.00 per year since 2008. Annual dues are determined by dividing the proposed budget by the number of dues-paying properties. The 2017 budget was increased by \$10,000+ to \$47,006.25. The increase reflects the cost for repayment of a loan from the reserve fund for the landscape improvements and estimated costs to repair the wall and a drain. The 2017 budget of \$47,006.25 divided by 273 dues-paying lots results in a minimum dues assessment of \$172.18. The dues for 2017 will be increased from \$150.00 to \$175.00 per year, which is less than the 25% increase allowed by the CC&R's. The increase will also provide an additional \$750.00 to \$1,000.00 per year general fund revenue cushion for the yearly carry over needed until the following year's dues is collected.

**Submitted by: Janice Rose, Treasurer**