

Park East Subdivision Homeowners Association, Inc.

Assumptions for Proposed 2018 Budget

Irrigation Repairs and Maintenance: Budgeted \$7,000 for repair/replacement of damaged heads and/or lines and the labor to do the work, based on experience in 2011/2017 with a potable water system. These would largely be adjustments to head placements, and zone valve wiring. The irrigation company would be contracted only for repairs to system, weekly maintenance and cleaning/adjustment of sprinkler heads as necessary, and turning the system on/off. **Increase of \$1000.**

Water Expense-this is a line item representing the flat fee charged to all owners for water provided to the street rights of way (area between sidewalk and street), and does not include the expected expense of water for the entryway common areas, which is billed to the developer. Expense is based on 2016 actual expenses and no expectation or indications at this time of an increase in water rates (\$2.66/1000) gallons from the City. **Increase of \$500**

Landscape Maintenance: Approximately April 15 - Oct 15

The contract is proposed for \$1830 during the landscaping season, or \$305 per month. The expense is based on hiring a landscape contractor to maintain the appearance of the entry, entry plant bed, and both culs de sac, including mowing, fertilization, weed control and irrigation adjustment. Also included would be spring clean up of these areas, and fall pruning of shrubs and perennials. Not included is the mowing and maintenance of tract 1 and tract 2, (entry areas on either side of Sky Ranch Drive) still owned by Park East Development. **Decrease of \$30.**

Tree and Shrub Replacement: Allow \$450.00 for replacement of trees in Conservancy Park as discussed with City in 2013. City of Glenwood has made replacements and –if labor and time allows-prunes right of way trees along the Park East Streets. **No Change.**

Roaring Fork Conservancy: this fee is an annual obligation of the PESHOA, and helps pay for preservation of the entire Roaring Fork River basin, from the upper Roaring Fork, Crystal and Fryingpan rivers to the confluence with the Colorado at Glenwood. The Park East Board and the Conservancy agreed to a significant reduction in expense for 2010, continuing into the future. Per actual 2017 expense. . **No Change.**

Insurance: Insurance expense is set at \$2336 for 2018. Package policy from Community Association Underwriters, with Neil Garing as local agency. Included are Directors & Officers Insurance, and General Liability Insurance, Premises Medical coverage, Fidelity Bonding. . **Increase of \$5.**

Management Services: This includes all association operations, accounting services and administration, maintaining records for and attending Board meetings. Attending DRC meetings and DRC administration, insurance coverage and claims. Services also include having the manager on-site on a regular basis to oversee landscape, irrigation and Design Review matters and other contracted services. Owner contact for all HOA issues and others related to local zoning or other ordinances, and interface with City services. **Decrease of \$2000.**

Legal Expense: There is still some expectation of 2018 legal expense in regard to the Roaring Fork Conservancy expense to the HOA. **No change.**

Tax Preparation:

The cost for Federal and State Income Tax preparation is estimated at \$275.00 based on 2016 expense. **Increase of \$25.**

Office Expense/Supplies:

Office expense is budgeted at \$30--35.00 per month, based on 2011 - 2015 expenses, which included the expense of lien filing and recording fees. Account also includes any check stock or deposit slip purchases, bank charges, copy expense, postage and paper for mailings. . **No Change.**

Miscellaneous Expense (Association Meetings):

Expected expense for Association meetings each year, including costs for refreshments, set-up charges, venue rental etc., based on 2013-2017 actual expenses, which included a summer community picnic, which is expected to be repeated in 2018. **Decrease of \$25.**

Sewer Lift Reserve Contribution

Charged only to those owners whose lots are serviced by the lift station. This addresses the expense of electric service and maintenance checks. It serves to insure there are adequate funds to repair either of the two submersible pumps, the electrical panel, or other necessary repairs or replacements. A backup replacement pump has been purchased in 2010 to facilitate timely repairs when a pump goes down. This reserve account was charged about \$4500 in 2017 for infrastructure repairs, but seems adequately funded, and no charge for participating owners is proposed. **No change.**

General Reserve Contribution

A general reserve amount is charged to all owners for unforeseen expenses, association improvements and contingencies. This reserve fund may be used at direction of the Board to address operations budget shortfalls due to uncollectible assessments or unforeseen expense in the operations budget. Its primary use should be for capital improvement projects. Suspended 2011 to 2017 and for 2018 by Board action in response to present reserve fund balance and economy. **No change.**

Each \$1000 change in the operational budget line items above raises or lowers assessments by \$1.01 per month or \$12.12 per year per home

Non-operations budget items

Design Review fees: This line item is not included in the calculation of operating assessments, since these fees are paid by an applicant wishing to build a home. The budget needs to recognize this income in order to pay service contractors fees related to design review operations and expenses (administration, irrigation system alterations). However, the number of applicants (1) proposed in 2018 is an estimation. Actual funds collected will depend on how many homes start construction in 2018. There are only 6 lots left to build upon in Park East. **Increase of \$100.**

Trash removal/recycling: Also not included in the calculation of operating assessments, since not all Park East owners have trash service. Addresses the expense of trash removal and recycling for most homes in Park East, and based on number of homes serviced (currently 74 homes at \$22 per home per month, with a new contract which may be impacted by passed along land fill fees). Service added during the year for a new home is billed directly to that owner the month their service begins. Owners are billed \$22 per month, \$252 per year. . **No Change.**

Note:

Owners in 2017-2018 should all be permanently disconnected from the common irrigation system and watering their landscape with metered water from their homes. Owners will remain responsible for damages they may cause to the common system by improper

disconnection and/or seasonal blow out of home systems. Back-flow prevention devices are also to be checked by service professionals each year.