



Reserve Study Report and Dues Increases

August 2016

Purpose: The addition of **siding replacement costs** to the Reserve Study has significantly increased the amount of money to be collected over the next 18 years. The Association wants to clearly inform homeowners of potential future financial commitments.

Background: The Robin Meadows HOA Board manages both the Operating Budget and Reserve Budget. The **Operating budget** (\$49,526 in 2016 or \$89/unit/month) includes items such as insurance, legal fees, landscape maintenance, and professional management of the property. The **Reserve Budget** (\$39,744 in 2016 or \$72/unit/month) is determined annually by the Reserve Study. It includes costs associated with maintaining, repairing and replacing roads, signs, siding, roofs, and gutters, projected for the next 30 years. Dues in 2016 was \$160.

Unexpected addition of replacement siding to Reserve Study: The 2016 Reserve Study indicated that an estimated \$1,014,526 will be needed to replace vinyl and fiber cement (hardy plank) siding in the year 2032 for 46 units. Normally these funds would be collected over a 30-year period; however, a change in FHA life expectancy of siding from 45 to 30 years will require these funds to be collected by our HOA over 18 years instead of 30 years. In other words, money for the replacement of the siding should have been added to the Reserve Study in 2002, but wasn't because FHA book value was 45 years at that time. Nobody is at fault.

Building Assessment: CERTA was hired by the HOA Board to perform siding openings for both fiber cement and vinyl siding to evaluate the life expectancy. The buildings are basically sound but will need maintenance to last until 2032. They did not recommend a life expectancy greater than 30 years for the siding.

Expenditures for all 46 units as well as individual unit dues are projected below. **These are estimates. Actual dues will be decided each year by the volunteer HOA Board.**

The Reserve Study and projected dues increases will be a topic at the August annual meeting. For additional information, see the website <http://robinmeadows.com/finances.html> to view the Reserve Study or contact Superior Community Management: Phone: (503) 684-1832 or jennifer@superiorcommunity.com or mike@superiorcommunity.com.

Projected Dues Increased (August 2016)

2016A Reserve Study	Beginning Balance:	\$230,648				Monthly Dues/per resident based on 46 units		
Year	Current Cost	Annual Reserve Contribution (11.2%)	Annual Interest	Annual Expenditures	Major Repairs from Reserve Budget	Monthly Reserve Budget	Est. Monthly Operating Budget	Est. Monthly Dues
2016	1,302,816	39,744	305	99,730		\$72	\$89	\$160
2017	1,334,214	44,398	386	2,048		\$80	\$95	\$175
2018	1,366,368	49,597	454	13,844		\$90	\$95	\$185
2019	1,399,298	55,405	547	6,718		\$100	\$95	\$195
2020	1,433,021	61,893	656	4,950		\$112	\$95	\$207
2021	1,467,557	69,140	732	28,612		\$125	\$95	\$220
2022	1,502,925	77,237	717	81,496		\$140	\$95	\$235
2023	1,539,145	86,281	868	7,390		\$156	\$95	\$251
2024	1,576,239	96,385	732	160,805	Wood fence replacement	\$175	\$95	\$270
2025	1,614,226	107,671	934	2,478		\$195	\$100	\$295
2026	1,653,129	120,280	437	363,721	Roof replacement	\$218	\$100	\$318
2027	1,692,969	134,364	452	120,701	Asphalt Overlay	\$243	\$100	\$343
2028	1,733,770	150,098	461	138,771	Replace gutters	\$272	\$100	\$372
2029	1,775,554	167,675	776	2,726		\$304	\$100	\$404
2030	1,818,345	187,310	1,049	42,772		\$339	\$100	\$439
2031	1,862,167	209,244	1,381	34,240		\$379	\$100	\$479
2032	1,907,045	233,746		1,014,526	Hardy plank and vinyl siding replacement	\$423	\$100	\$523
2033	1,953,005	171,476	174	12,292		\$311	\$100	\$411
	Total for 18 years	2,061,944	11,061	2,137,820	Ave/month for 18 years	\$208	\$97	\$298
					Ave/year for 18 years	\$2,490	\$1,163	\$3,581
					Total for 18 years	\$44,825	\$20,976	\$65,801
					Total for 18 years for 46 units	\$2,061,944		