



October 20, 2020

Dear Homeowners,

The year 2020 has been uniquely challenging for Briar Chapel. On a positive note, we started the year with our first all-homeowner Board of Directors. The new Board was in the process of investigating and prioritizing issues inherited from the developer-run Board, when the COVID-19 world-wide pandemic was upon us. With it came shutdowns of facilities and emergency modifications to the BCCA's procedures and amenities. Despite global impacts, our HOA office staff continued to support the membership by carrying out their duties, which required flexibility from the board, FSR staff and our residents alike in the face of the pandemic.

Accomplishments for 2020 include the following:

- Completed Storm Water Pond (BMP) repair projects.
- Approved a Clubhouse Refresh/Refurbishment project which will be completed in early 2021.
 - The project was a high priority for 2020 due to poor conditions and the end of useful life of the fixtures and furnishings. The clubhouse has not had a major refurbishment for 12 years.
 - A significant portion of the funds to carry out the project are from the reserve budget earmarked to cover costs for necessary refurbishments, which will last years and will improve the experience of the many individuals and groups that use the clubhouse.
- Selected a new pool management company, which resulted in improved homeowner experience/satisfaction with our pool operations.
- Addressed ongoing issues and challenges related to the Wastewater Treatment Plant (WWTP) located within Briar Chapel. Water quality and testing, flushing and odor controls, and improvements to landscape irrigation were implemented, and the Board hired specialized counsel to intervene in the NCUC proceeding and oppose the proposed expansion of the Briar Chapel WWTP to become a regional WWTP with a connection to Fearington Village and other developments nearby.
- Developed a landscaping master plan with an emphasis on "green" practices, which, if successful, will become effective in 2021 for the entire community.
- The Board stepped up efforts to meet its obligation for clear, consistent, and equitable interpretation and enforcement of our governing documents, including the development and adoption of new policies for addressing covenants violations and collection issues.
- Four new committees were added in 2020: Infrastructure Task Force, Landscaping, Social/Activities, and Swimming Pool Complex, and the former Sports Court Committee was expanded to Parks and Recreation to include parks, trails, playgrounds, and the dog parks.

With our transition to a fully homeowner-controlled Board at the end of 2019, our focus has changed as we look to improve the livability of the place we call home. With significant project input from our homeowner-led committees, the budget and corresponding Master Fee are being set for 2021 to allow for almost 20 improvement projects throughout Briar Chapel, with individual projects ranging from \$1,000 to \$60,000 in cost, for a total of \$289,000 in the 2021 operating budget. Some improvements are one-time expenses; some will have maintenance expense in future budgets. Others are multi-year improvement projects that will appear in future budget proposals.

Our committees submitted a range of projects for consideration and we thank all of them for their efforts in the budget process. While we would like to implement more of the committee suggestions for projects for 2021, that's not feasible in a single year. After a thorough review process, the Board selected the projects listed in the accompanying pages as its highest overall priorities.

For 2021, the Board has approved a budget which calls for an HOA Master fee increase for the first time in six years. Previously, the developer-controlled Board set budgets with a focus on home sales. Those budgets addressed the operating needs of the community from a maintenance perspective while providing for reserves as outlined in our Master Reserve Study (latest version 2019). No dues increases were assessed since 2014, as the phased growth of the community provided additional revenues each year; revenues from new homes kept pace with increased costs associated with maintenance. However, maintaining a flat Master HOA fee during this six-year period did not allow for any significant money to carry out new projects to improve items throughout the neighborhood.

While we all wish prices or fees would never increase, this increase is necessary for the benefit of our entire community by providing enhancements and improvements that have been deferred too long. **As you will see on the following pages, the Board has approved a proposed budget for 2021 with an increase in the Master HOA fee to \$135 per month per unit, an increase of \$10/month.**

With over 2,100 projected homes by year-end, we forecast that our revenues will exceed operating expenses for 2020 by just over \$50,000, despite unanticipated additional expense for legal costs. Legal advice and expenses were essential to deal with COVID-19, the wastewater issues, covenants and collection enforcement, and other matters which were unaddressed by the previous Board. We also expect to end 2020 in a good position relative to our Master reserves with a projected balance of \$1.32M (\$1.04M in general reserves and \$0.28M in alley reserves).

Details of the budget both for operating and reserves are provided for your review on the following pages along with comments and variance explanations on most line items. Finally, a new section has been included in the budget materials which provides a breakdown overview of how your \$135 monthly Master HOA fee is allocated. This analysis provides a summary look into our expenditures so that you get a feel for where each dollar goes.

Thank you for your continued support. We look forward to 2021 with optimism and are hopeful of a return to a more normal flow of life.

Sincerely,
The Board of Directors
Briar Chapel Community Association, Inc

Note: Some small rounding differences from rounding due to truncating.

Annual Meeting Format									
Briar Chapel Community Association									
2021 Budget									
2020 Forecast based off Actuals through August									
10/14/20	Code	2021 Approved Budget	2020 Approved Budget	2021 Budget to 2020 Budget Change	% Change	2020 Forecast	2020 Forecast to 2020 Budget Change		
Operating Revenue									
Residential Assessments	411100	\$3,254,378	\$2,827,504	\$ 426,874	15%	\$2,811,100	\$ (16,404)		
Encore Assessment	411101	\$ 192,478	\$ 139,755	\$ 52,723	38%	\$ 142,492	\$ 2,737		
Alley Fees	411123	\$ 53,855	\$ 53,764	\$ 91	0%	\$ 53,349	\$ (415)		
Operating Capital Contributions	411330	\$ 43,750	\$ 46,500	\$ (2,750)	-6%	\$ 40,375	\$ (6,125)		
Late Fees & Interest	411410	\$ 10,800	\$ 9,000	\$ 1,800	20%	\$ 13,047	\$ 4,047		
DRC Collection Fees	411610	\$ 6,000	\$ 6,000	\$ -	0%	\$ 9,325	\$ 3,325		
Amenity Pass	411860	\$ 20,000	\$ 20,000	\$ -	0%	\$ 9,805	\$ (10,195)		
Service Area Fee	411901	\$ 12,300	\$ 12,300	\$ -	0%	\$ 12,300	\$ -		
Developer Assessments	412100	\$ 15,000	\$ -	\$ 15,000	-	\$ 24,454	\$ 24,454		
Builder Assessments	413100	\$ 32,400	\$ 39,159	\$ (6,759)	-17%	\$ 40,459	\$ 1,300		
Builder Encore Assessment	413102	\$ 12,150	\$ 15,907	\$ (3,757)	-24%	\$ 12,330	\$ (3,577)		
Commercial Assessments	414100	\$ 3,000	\$ 3,000	\$ -	0%	\$ 3,000	\$ -		
Events Revenue	415000	\$ 8,603	\$ 8,603	\$ -	0%	\$ 1,804	\$ (6,799)		
Facility Use Income	415310	\$ 15,000	\$ 15,000	\$ -	0%	\$ 2,240	\$ (12,760)		
Interest Income Operating	417100	\$ -	\$ 3,000	\$ (3,000)	-100%	\$ 1,558	\$ (1,442)		
Other Income	499000	\$ 5,600	\$ 5,600	\$ -	0%	\$ 17,873	\$ 12,273		
Total Operating Revenue		\$3,685,313	\$3,205,092	\$ 480,221	15%	\$3,195,511	\$ (9,581)		
Operating Expenses									
Administrative									
Salaries	511100	\$ 425,882	\$ 413,480	\$ 12,402	3%	\$ 411,177	\$ (2,303)		
Training	511139	\$ 3,000	\$ 3,000	\$ -	0%	\$ 275	\$ (2,725)		
Uniforms	513002	\$ 1,000	\$ 1,000	\$ -	0%	\$ 432	\$ (568)		
Bonuses	513500	\$ 14,000	\$ 14,000	\$ -	0%	\$ 14,000	\$ -		
Management Fees - Contract	521000	\$ 120,600	\$ 121,500	\$ (900)	-1%	\$ 120,300	\$ (1,200)		
Professional Services Legal	533000	\$ 150,000	\$ 60,000	\$ 90,000	150%	\$ 143,338	\$ 83,338		
Professional Services General	533200	\$ 27,950	\$ 28,394	\$ (444)	-2%	\$ 29,836	\$ 1,442		

Comments - Variance Explanations
(2021 Budget vs 2020 Budget unless noted)

155 projected home closings spread throughout the year - New Master HOA fee = \$135/mo/unit

20 projected home closings spread throughout the year - New Prorated Master HOA Fee for Encore = \$102.60/mo/unit (76%) \$5 per alley home - Note: This fee will need to be increased to \$5.50 or \$6.00 for 2022 based on the current reserve study.

Based on less houses being built than in 2020 (175 vs 186)

Revenue from guest passes and new card keys

\$5 per unit fee for bookkeeping and accounting services

Line item not budgeted in 2020 - based on Newland final platted lots @ builder rate (\$33.75/mo/lot)

Based on less lots held by builders - New Rate = \$135/mo * 25% = \$33.75/mo/lot

Based on less lots held by builders - New Rate = \$135/mo * 25% = \$33.75/mo/lot

Landscape watering fee charged to BC Commercial for county water use @ main entrance

Revenue from social events

Mostly revenue from use of Clubhouse

Not budgeted. Will be minimal based on current interest rates

2020 revenue due to easement granted on Catullo Run (\$15k)

3% potential increase for salary increases; based on five current positions; Includes: Base Salary, Benefits, Workers Comp, Employer FICA taxes, 10% admin payroll processing fee from FSR

Board discretionary item at year end

Contract with FSR to supply staff and accounting services Increase driven by transition from developer majority Board to full homeowner Board. 2021 Budget is \$7k more than 2020 projected legal fees.

Examples: IT Services, Annual Audit, Reclaimed Water Testing, etc

Note: Some small rounding differences from rounding due to truncating.

Briar Chapel Community Association									
2021 Budget									
2020 Forecast based off Actuals through August									
10/14/20	Code	2021 Approved Budget		2020 Approved Budget		2021 Budget to 2020 Budget Change		2020 Forecast to 2020 Budget Change	
		Budget	Change	Budget	Change	Budget	% Change	Forecast	Change
DRC Expenses	536411	\$ 33,600	\$ 30,804	\$ 3,720	\$ 3,720	\$ 0	0%	\$ 34,016	\$ 3,212
Website	538000	\$ 3,720	\$ 3,720	\$ -	\$ -	\$ -	0%	\$ 3,498	\$ (222)
Office Supplies - General	541000	\$ 23,804	\$ 20,804	\$ 3,000	\$ 3,000	\$ 3,000	14%	\$ 24,242	\$ 3,438
Insurance - General	601000	\$ 73,872	\$ 60,972	\$ 12,900	\$ 12,900	\$ 12,900	21%	\$ 62,472	\$ 1,500
Equipment	611000	\$ 9,720	\$ 9,720	\$ -	\$ -	\$ -	0%	\$ 9,901	\$ 181
Social Events	614000	\$ 20,000	\$ 50,004	\$ (30,004)	\$ (30,004)	\$ (30,004)	-60%	\$ 9,791	\$ (40,213)
Music Licensing	614110	\$ 2,425	\$ 1,792	\$ 633	\$ 633	\$ 633	35%	\$ 2,425	\$ 633
Total Administrative Expenses		\$ 909,573	\$ 819,190	\$ 90,383	\$ 90,383	\$ 90,383	11%	\$ 865,703	\$ 46,513
Landscaping/Irrigation									
Landscaping Maintenance Contract	711100	\$ 643,916	\$ 735,360	\$ (91,444)	\$ (91,444)	\$ (91,444)	-12%	\$ 735,972	\$ 612
Landscaping Repairs	711200	\$ 91,000	\$ 35,000	\$ 56,000	\$ 56,000	\$ 56,000	160%	\$ 34,433	\$ (567)
Landscaping Tree/Shrub Contract	711410	\$ 109,420	\$ 109,420	\$ -	\$ -	\$ -	0%	\$ 109,727	\$ 307
Landscaping Flowers	711503	\$ 43,048	\$ 39,190	\$ 3,858	\$ 3,858	\$ 3,858	10%	\$ 39,190	\$ -
Mulch & Straw	711507	\$ 36,000	\$ 27,060	\$ 8,940	\$ 8,940	\$ 8,940	33%	\$ 27,063	\$ 3
Snow Removal	711800	\$ 39,990	\$ 39,990	\$ -	\$ -	\$ -	0%	\$ 13,330	\$ (26,660)
Pet Waste Removal	711810	\$ 14,400	\$ 10,812	\$ 3,588	\$ 3,588	\$ 3,588	33%	\$ 10,812	\$ -
Irrigation Repairs & Maint	712200	\$ 14,660	\$ 5,000	\$ 9,660	\$ 9,660	\$ 9,660	193%	\$ 4,434	\$ (566)
Total Landscaping/Irrigation Expenses		\$ 992,434	\$ 1,001,832	\$ (9,398)	\$ (9,398)	\$ (9,398)	-1%	\$ 974,961	\$ (26,871)
Repairs & Maintenance									
R & M General	721100	\$ 39,996	\$ 39,996	\$ -	\$ -	\$ -	0%	\$ 42,236	\$ 2,240
R & M Supplies	721130	\$ 5,004	\$ 5,004	\$ -	\$ -	\$ -	0%	\$ 5,097	\$ 93
Access Control	721134	\$ 11,164	\$ 9,764	\$ 1,400	\$ 1,400	\$ 1,400	14%	\$ 11,984	\$ 2,220
R & M Street Signs	722720	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ -	0%	\$ 7,605	\$ (4,395)
Cleaning Contract	723100	\$ 38,724	\$ 38,724	\$ -	\$ -	\$ -	0%	\$ 37,474	\$ (1,250)
Cleaning Supplies	723300	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	0%	\$ 3,173	\$ 173
Pest Control Contract	724100	\$ 1,005	\$ 505	\$ 500	\$ 500	\$ 500	99%	\$ 930	\$ 425
Water Amenities Service Contract	726120	\$ 154,000	\$ 160,002	\$ (6,002)	\$ (6,002)	\$ (6,002)	-4%	\$ 138,000	\$ (22,002)
Pond Repairs	726133	\$ 59,412	\$ 26,104	\$ 33,308	\$ 33,308	\$ 33,308	128%	\$ 38,705	\$ 12,601

Comments - Variance Explanations

Added additional mailing expenses based on 2020 spend At next renewal (June 2021), increased insurance coverage in some areas

Decreased budget by \$30k. Plan to go to a "pay for access" model for some events.

Music licenses needed to play music in the Clubhouse

Pricing reduction due to Myatt contract 1 yr extension & landscaping practice changes (some shift to other budget categories)

Includes \$56k in tree replacements (new item for 2021) Annual fee with Bartlett for tree maintenance and care program

New contract pricing and added tulip program

Added extra mulch for parks/dog parks

3 Snow Events per year budgeted - Cleaning Main Roads Only: BC Pwy, GR Pwy, Granite Mill, Woodland Grove Ln

New contract pricing; Bi-weekly service and disposal for 31 locations

New contract with Myatt for proactive management of BC sprinklers served by county water

2020 Forecast includes: 8k to paint clubhouse interior in December & \$4k for TV's.

Card Key system and supplies; Camera monitoring system

Street and other metal signs throughout BC

Cleaning at Clubhouse & Park Bathrooms (5 days per week); Cleaning at Pool house (3 days per week during pool season)

This expense covers the same pool hours as the 2020 original base contract; 2020 Forecast includes \$23k additional expense tied to extra COVID related operating expenses

Shift in cost for mowing pond banks that was previously included under Myatt contract - bank mowing now done by Dragonfly; 2020 coverage due to annual certification inspection

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2020 Forecast based off Actuals through August									
10/14/20	Code	2021 Approved Budget	2020 Approved Budget	2021 Budget to 2020 Budget Change	% Change	2020 Forecast	2020 Forecast to 2020 Budget Change	Annual Meeting Format	
Pool Repairs	726141	\$ 20,000	\$ 20,000	\$ -	0%	\$ 8,630	\$ (11,370)		Minor pool repairs not charged to reserves
Water Amenities Supplies	726150	\$ 4,000	\$ 4,000	\$ -	0%	\$ 4,497	\$ 497		
Trail Maintenance	726500	\$ 7,200	\$ 24,997	\$ (17,797)	-71%	\$ 20,256	\$ (4,741)		Now under Myatt contract - new pricing
Golf Cart Expense	727501	\$ 2,200	\$ -	\$ 2,200	-	\$ -	\$ -		Golf cart street legal modifications and costs
Fitness Center Equipment Repairs	728300	\$ 1,856	\$ 1,856	\$ -	0%	\$ 1,089	\$ (767)		
Total Repairs & Maintenance Expenses		\$ 359,561	\$ 345,952	\$ 13,609	4%	\$ 319,676	\$ (26,276)		
Safety									
Safety / Security	730000	\$ 23,460	\$ 23,460	\$ -	0%	\$ 4,627	\$ (18,833)		Same level of service as budgeted in 2020; Includes \$20k in patrol related costs
Total Safety Expenses		\$ 23,460	\$ 23,460	\$ -	0%	\$ 4,627	\$ (18,833)		
Utilities									
Electric General	742100	\$ 108,000	\$ 108,000	\$ -	0%	\$ 104,406	\$ (3,594)		
Natural Gas	743000	\$ 720	\$ 720	\$ -	0%	\$ 611	\$ (109)		
Sewer	744200	\$ 6,000	\$ 6,000	\$ -	0%	\$ 5,755	\$ (245)		
Telephone - Landlines	746100	\$ 12,000	\$ 12,000	\$ -	0%	\$ 12,147	\$ 147		
Trash Removal	747000	\$ 518,532	\$ 472,487	\$ 46,045	10%	\$ 465,965	\$ (6,522)		New homes (\$36k) plus 2% increase (\$10k) in monthly per house rate (\$19.89) per 2020 3-yr contract
Water	748000	\$ 54,000	\$ 54,000	\$ -	0%	\$ 35,797	\$ (18,203)		
Total Utilities Expenses		\$ 699,252	\$ 653,207	\$ 46,045	7%	\$ 624,681	\$ (28,526)		
Other Expenses									
Contingency	749000	\$ 90,628	\$ 61,453	\$ 29,175	47%	\$ -	\$ (61,453)		General unassigned contingency. Represents 2.5% of total budget for 2021. For 2020, \$10k moved to ponds for annual certification inspection & \$51.4k moved to legal fees.
Committee/Board Requested Projects		\$ 288,900	\$ -	\$ 288,900	-	\$ -	\$ -		See project list below for detailed breakdown.
Clubhouse Refurbishment Project		\$ -	\$ -	\$ -	-	\$ 50,000	\$ 50,000		2020 Forecast: This project was not in the original 2020 budget. The final \$50k payment on this project will come from Reserves in the 2021 Budget (Jan/Feb). Total contract cost = \$100k
Total Other Expenses		\$ 379,528	\$ 61,453	\$ 318,075	518%	\$ 50,000	\$ (11,453)		
Total Operating Expenses		\$ 3,363,809	\$ 2,905,094	\$ 458,715	16%	\$ 2,839,648	\$ (65,446)		
Excess Revenue over Operating Exp		\$ 321,504	\$ 299,998	\$ 21,507	7%	\$ 355,863	\$ 55,865		
Reserve Contributions	941000	\$ 321,504	\$ 300,000	\$ 21,504	7%	\$ 300,000	\$ -		Increase due to Reserve Study; \$267,500 General Master Reserves & \$54,000 Alley Reserves
Excess Revenue over Total Expenses		\$ 0	\$ (2)	\$ 3		\$ 55,863	\$ 55,865		Potential Retained Earnings
Total Budget									
Operating Exp and Res Contributions		\$ 3,685,313	\$ 3,205,094	\$ 480,219	15%	\$ 3,139,648			

Note: Some small rounding differences from rounding due to truncating.

Briar Chapel Community Association						Annual Meeting Format	
2021 Budget							
2020 Forecast based off Actuals through August							
10/14/20	Code	2021 Approved Budget	2020 Approved Budget	2021 Budget to 2020 Budget Change	% Change	2020 Forecast	2020 Forecast to 2020 Budget Change

Comments - Variance Explanations

Committee/Board Requested Projects/Expenditures - New for 2021 Budget

Community Website Replacement	538000p	\$ 5,000					Replace current BCLife with a new website that provides a suite of services. Current site no longer supported by vendor.
Additional IT Services	538000p	\$ 10,000					Additional IT development services to develop enhanced website capabilities.
Expanded Pool Season	726120	\$ 40,000					Increase the number of days the pool is open both at the beginning and end of the season.
Private Security	730000	\$ 30,000					Added cost to move to private security patrols throughout the neighborhood at various hours.
Trail Erosion Control	726500p	\$ 2,400					Repair eroded areas on three trails (Warbler Circle, BC Pwy under bridge, Behind Bennett Mountain Trace)
Skills Park Maintenance	726500p	\$ 1,500					Repairs at mountain bike skills park near main entrance
Re-orient North Basketball Court	721100p	\$ 19,000					Re-orient the BB court between the wall and the pickleball court (turn 90 degrees). For safety (of pickleball players) and full-court capability.
Pool Lighting Improvements	726141p	\$ 15,000					Add/upgrade lighting in the pool area to potentially allow for night swimming and after hours activities in the pool area.
New Pool Entry Gate	726141p	\$ 5,000					Replace existing gate and fence with turnstile gate to improve entrance security. Add 2nd gate for ADA entrance.
Fence Divider between pools	726141p	\$ 10,000					Add a fence between the two pools to restrict access for events, SAYOR, etc. Increasing pool area flexibility.
Movable Pool Umbrellas w stands	726141p	\$ 4,000					Purchase 10 umbrella units not attached to tables for chair shade.
Virtual Meeting Licenses	533200	\$ 500					Add virtual meeting capability for all committees.
Covenants Corner	541000	\$ 1,500					New quarterly mailings to be proactive on covenant issues and information.
Landscape Improvements for small common areas	711200p	\$ 50,000					Improve the appearance of these small common areas (pocket parks). Multi year project.
Wetlands and Erosion Control	533200p	\$ 35,000					Project for engineering services to assess wetlands and various infrastructure needs.
Reforestation & Shade Project	711200p	\$ 60,000					Unmanaged areas and playgrounds/parks throughout BC need additional trees for shade and reforestation.
Total		\$ 288,900					

**Briar Chapel Community Association
2021 Master Reserve Budget**

Annual Meeting Format

Reserve Summary

	<u>General Fund</u>	<u>Alleys</u>	<u>2</u>	<u>Total</u>	<u>Comments</u>
Projected Reserve Fund Balance - YE 2020	\$1,039,273	\$ 275,173		\$ 1,314,446	
2021 Reserve Contributions from Operating Account	\$ 267,500	\$ 54,000		\$ 321,500	Reserve Study: Alternative 1 General Fund and Alternative B for Alleys
2021 Projected Reserve Interest	\$ 4,500	\$ 1,500		\$ 6,000	
2020 Reconciliation of Alley Fees to Reserve Contribution	\$ -	\$ 2,800		\$ 2,800	True up alley fees collected in 2020 vs Reserve Contribution of \$50k booked in 2020
Total Reserve Income	\$ 272,000	\$ 58,300		\$ 330,300	
Reserve Project Expenditures Budgeted for 2021	\$ 170,508	\$ -	5	\$ 170,508	
Total Reserve Expense	\$ 170,508	\$ -		\$ 170,508	
Net Income	\$ 101,492	\$ 58,300		\$ 159,792	
Projected Reserve Balance YE 2021	\$ 1,140,765	\$ 333,473		\$ 1,474,238	
Reserve Recommended for Beginning of 2022	\$ 1,287,319	\$ 337,611		\$ 1,624,930	
Variance	\$ (146,554)	\$ (4,138)		\$ (150,692)	Negative variance represents reserve balance below reserve study recommendation. Positive variance represents reserve balance above reserve study recommendation.
█	\$ 181,000	Total of pull-forward items that compensate for the negative reserve balance variance projected at year-end 2021.			

2021 Reserve Project Expenditure Details

<u>Project</u>	<u>Code</u>	<u>2021 Project Cost Budget</u>	<u>Comments</u>	<u>Original Reserve Study Year</u>	<u>Original Reserve Study Year Cost</u>
<u>Site Improvements</u>					
Replace sections of concrete flatwork (sidewalks/curbs)	SI1	\$10,000	Annual placeholder instead of single expense every eight years in Reserve Study	2024	\$80,750
Repair/improve drainage infrastructure and systems	SI2	\$10,000	Annual placeholder instead of single expense every three years in Reserve Study	2021	\$20,000
<u>Building Exterior</u>					
Repair structural components of stairs to pool slides	BE1	\$40,000	I-beam and structural supports to the slide deck floor & stairs; need structural engineer evaluation	2020	\$40,000
Replace exterior doors at slide structure	BE2	\$4,000	Three doors at ground level of slide structure	2020	\$3,600
<u>Building Interior</u>					
Clubhouse Interior Refurbishment Project	BI1	\$50,000	Project started in 2020; Approx \$60k in 2020 Operating Funds are also being used on this project	2020/22	\$77,800
<u>Mechanical, Electrical, Plumbing Systems</u>					
Replace/upgrade access control and security system	MEP1	\$25,000	Card key system is beyond manufacturer life cycle	2021	\$25,000
Replace Components of Pool Pumps & Filtration System	MEP2	\$10,000	Included in Reserve Study every three years	2020	\$22,000

<u>Amenities</u>					
Replace gas grills	A1	\$2,500	Original gas grills outside the pool area need replacement.	2021	\$17,000
Replace Portion of Pool Furnishings	A2	\$12,000	This is a multi-year project to "restring" all pool chairs	2021	
Treadmills, Ellipticals, and Bicycles	A3	\$7,008	This is capital lease payment option instead outright purchase. Lease began in 2019.	2023	\$48,500
Total		\$170,508			

Notes:

- 1) Reserve Contributions and Recommended Reserve Balances are from the 2019 Reserve Study that was commissioned and approved in July 2019.
- 2) The 2019 Reserve Study broke out the Alleys from general master reserve assets for the first time in order to ensure the alley fees collected covered the future expense required to maintain the alleys.
- 3) In 2019, the Board approved Alternative 1 for the General Fund and Alternative B for the Alleys which were used for the 2021 Reserve Contributions and 2022 Recommended Beginning Balances shown above.
- 4) The current reserve study recommends \$102,176 of expenditures in 2021. The Board approved the amount shown above in the 2021 Reserve Project Expenditure Details section based on the current physical condition of all assets.
- 5) The 2019 Reserve Study recommends alley expenses to begin in CY 2024 intended for full depth asphalt patching in some locations. Milling and resurfacing of various asphalt alleys is not scheduled to begin until 2033.
- 6) Negative variance is caused by reserve projects which were "pulled forward" from future years due to the current physical conditions of the various reserve items. This affects the annual reserve balance recommendation for year-end 2021 contained in the current Reserve Study.
 Ex. \$110k was spent in 2020 on BMP (storm water pond) repairs based on the 2019 state certification inspection; originally scheduled in the Reserve Study in 2023 for \$168k.
 Ex. Other examples of "pull forwards" listed above in the 2021 planned projects list: concrete flatwork; clubhouse refurbishment

Pull Forwards as of year-end 2021

BMP Major Repairs	\$110,000	
Concrete Flatwork	\$20,000	
Clubhouse Refurbishment Items	\$51,000	paint, flooring, furniture
Total	\$181,000	

Master HOA Fee Breakdown

How does my \$125 Master HOA Fee breakdown for the 2020 Budget?

<u>Category Breakdown</u>	<u>Cost</u>	<u>Percentage</u>	<u>HOA Fee</u>
Landscaping/Irrigation	\$ 1,001,832	31.3%	\$39.07
Trash Removal (Weekly Service)	\$ 472,487	14.7%	\$18.43
Salaries (benefits, taxes and payroll fees)	\$ 413,480	12.9%	\$16.13
Reserve Contributions	\$ 300,000	9.4%	\$11.70
Remaining Admin Expenses	\$ 224,210	7.0%	\$8.74
Remaining Repairs & Maintenance	\$ 161,950	5.1%	\$6.32
Remaining Utility Expenses	\$ 180,720	5.6%	\$7.05
Pool Operating Expenses	\$ 184,002	5.7%	\$7.18
FSR Management Fees (inc Accounting)	\$ 121,500	3.8%	\$4.74
Professional Services Legal	\$ 60,000	1.9%	\$2.34
Operating Contingency	\$ 61,453	1.9%	\$2.40
Safety Expenses	\$ 23,460	0.7%	\$0.91
Total	\$ 3,205,094	100.0%	\$125.00

How does my \$135 Master HOA Fee breakdown for the 2021 Budget?

(w/ New Projects in a Separate Category)

<u>Category Breakdown</u>	<u>Cost</u>	<u>Percentage</u>	<u>HOA Fee</u>
Landscaping/Irrigation	\$ 992,434	26.9%	\$36.35
Trash Removal (Weekly Service)	\$ 518,532	14.1%	\$18.99
Salaries (benefits, taxes and payroll fees)	\$ 425,882	11.6%	\$15.60
Reserve Contributions	\$ 321,504	8.7%	\$11.78
Committee/Board Requested Projects (New for 2021 Budget)	\$ 288,900	7.8%	\$10.58
Remaining Admin Expenses	\$ 213,091	5.8%	\$7.81
Remaining Repairs & Maintenance	\$ 181,561	4.9%	\$6.65
Remaining Utility Expenses	\$ 180,720	4.9%	\$6.62
Pool Operating Expenses	\$ 178,000	4.8%	\$6.52
Professional Services Legal	\$ 150,000	4.1%	\$5.49
FSR Management Fees (inc Accounting)	\$ 120,600	3.3%	\$4.42
Operating Contingency	\$ 90,628	2.5%	\$3.32
Safety Expenses	\$ 23,460	0.6%	\$0.86
Total	\$ 3,685,313	100.0%	\$135.00

How does my \$135 Master HOA Fee breakdown for the 2021 Budget?

(w/ New Projects Added into Existing Categories)

<u>Category Breakdown</u>	<u>Cost</u>	<u>Percentage</u>	<u>HOA Fee</u>
Landscaping/Irrigation + New Projects	\$ 1,102,434	29.9%	\$40.38
Trash Removal (Weekly Service)	\$ 518,532	14.1%	\$18.99
Salaries (benefits, taxes and payroll fees)	\$ 425,882	11.6%	\$15.60
Reserve Contributions	\$ 321,504	8.7%	\$11.78
Pool Operating Expenses + New Projects	\$ 252,000	6.8%	\$9.23
Remaining Admin Expenses + New Projects	\$ 230,091	6.2%	\$8.43
Remaining Repairs & Maintenance + New Projects	\$ 204,461	5.5%	\$7.49
Remaining Utility Expenses	\$ 180,720	4.9%	\$6.62
Professional Services Legal	\$ 150,000	4.1%	\$5.49
FSR Management Fees (inc Accounting)	\$ 120,600	3.3%	\$4.42
Operating Contingency	\$ 90,628	2.5%	\$3.32
Safety Expenses + New Projects	\$ 53,460	1.5%	\$1.96
Wetlands and Erosion Control Project - Eng Svc (New Project)	\$ 35,000	0.9%	\$1.28
Total	\$ 3,685,313	100.0%	\$135.00