

South Villa Owners

October 25, 2018

The South Villa Committee has completed an analysis the Exterior Maintenance/ Roof Replacement Reserve accounts and projected future reserves for Exterior Maintenance through Dec. 2021 and Roof Replacement through 2038 which is the projected date for roof replacement.

The analysis worksheets are attached for your review. In summary the Exterior Maintenance Reserve should have a projected balance of \$ 208,091.00 in December 2021 and the Roof Replacement Reserve will have a negative balance of \$ 2,921,598 in 2038.

RESERVE FUNDING BALLOT FOR 2019

The committee requires your vote to set the reserve contributions for 2019 and suggests the following options for your consideration. The REGISTERED VOTING MEMBER should circle one of the options for each reserve account. If you would like to submit an alternate option use the reverse side of the ballot.

- 2019 **EXTERIOR MAINTENANCE RESERVE**
1. Continue the current monthly contribution of \$ 35.00
 2. Reduce the monthly contribution to \$ 25.00
 3. Do not make any contribution in 2019

- 2019 **ROOF REPLACEMENT RESERVE**
1. Continue the monthly contribution of \$ 10.00
 2. Increase monthly contribution to \$ 91.00 to fully fund the 2038 replacement
 3. Increase the monthly contribution to \$ 45.00 to partially offset the deficit
 4. Increase the monthly contribution to \$ 30.00 to partially offset the deficit
 5. Do not make any contribution in 2019

Ballots can be given to any committee member or returned to the Administration office.

In order for the vote to be valid 51% of the villa owners (68 members) must vote otherwise contributions will remain the same as in 2018.

Please complete the following and submit by 11/24/2018

Owner Name:

Address:

Signature:

Date:

SV Committee Ed Mueger, Suzanne Low, Liz Glosser, Vern Alexander, Arnold Jansen, Andy Cascarano, Lale Lewis, Kathleen Radcliffe, Bob Moe.

SOUTH VILLA RESERVE BALANCE ANALYSIS
Exterior Maintenance and Roofing Replacement

Analysis of Villa Exterior Maintenance Reserve: 2016 through 9/30/2018					
Date	Description		Increases	Decreases	Balance
1/1/2016	Balance				\$181,538
	01/01 to 12/31/ 2016 Actual Incurred Costs				
	Roofing Repairs	(1)		-\$1,912	
	Tree Service Costs	(2)		-\$25,400	
	Earthworks Landscaping	(3)		-\$8,773	
	Algaecide			-\$5,450	
	Miscellaneous			-\$593	-\$42,128
	2016 Quarterly Assessments				
	134 units X \$35.00 X 3 months				
	1st through 4th quarter		\$56,280		
	01/01 to 12/31/2016 Earned Interest		\$88		\$56,368
12/31/2016	Balance				\$195,778
	01/01 to 12/31/ 2017 Actual Incurred Costs				
	Roofing Repairs	(1)		-\$10,874	
	Tree Service Costs	(2)		-\$3,150	
	Earthworks Landscaping	(3)		-\$1,875	
	Algaecide			-\$5,360	
	Miscellaneous			-\$129	-\$21,388
	2017 Quarterly Assessments				
	134 units X \$35.00 X 3 months				
	1st through 4th quarter		\$56,280		
	01/01 to 12/31/2017 Earned Interest		\$84		\$56,364
12/31/2017	Balance				\$230,754
	01/01 to 9/30/ 2018 Actual Incurred Costs				
	Roofing Repairs	(1)		-\$848	
	Tree Service Costs	(2)		\$0	
	Earthworks Landscaping	(3)		\$0	
	Algaecide			\$0	
	Miscellaneous			\$0	-\$848
	2018 Quarterly Assessments				
	134 units X \$35.00 X 3 months				
	1st through 3rd quarter		\$42,210		
	01/01 to 9/30/2018 Earned Interest		\$68		\$42,278
9/30/2018	Balance				\$272,184
	(1) Repairs investigated by committee, determined golf ball damage not warranted.				
	(2) Costs investigated by committee, primarily removal of Oak Trees on Villa property & installing of new sod/landscaping				
	(3) Investigated by committee, determined proper exterior maintenance cost.				
	REDACTED				
	REDACTED				

SOUTH VILLA RESERVE BALANCE ANALYSIS
Exterior Maintenance and Roofing Replacement

Villa Exterior Maintenance Reserve Balance				
Projected Reserve Expense: 9/30/2018 through 12/31/2021				
9/30/2018	Balance			\$272,184
	2018-2021 Estimated Costs			
	Roof Repairs (3.25 years x \$5,000)	(1)	-\$16,250	
	Algaecide (3.25 years x \$5,500)	(2)	-\$17,875	
	Exterior Maint./Misc. (3.25 years x \$300)	(2)	-\$975	
	Additional Landscape/Tree Service Costs (3.25 years x \$14,000)	(2)	-\$45,500	
	2021 Painting Project	(3)	-\$166,696	-\$247,296
	Quarterly Assessments			
10/01/18-21	\$14,070 x 4 x 3.25 years		\$182,910	
10/01/18-21	Estimated Earned Interest (3.25 years x \$90)	(4)	\$293	\$183,203
12/31/2021	Projected Reserve Balance			\$208,091
	(1) Amount based upon actual costs incurred for 2016 through 9/30/18 . However, based on experience, roof repair expense will increase significantly between 2021 and 2033 as they age.			
	(2) Amount based upon actual costs incurred for 2016 through 9/30/18.			
	(3) 2014 exterior paint project cost was \$158,311. Estimate includes an adjustment for inflation of 1.6%.			
	(4) Amount based upon actual earnings for 2016 through 9/30/18 .			

**SOUTH VILLA RESERVE BALANCE ANALYSIS
Exterior Maintenance and Roofing Replacement**

Analysis of Villa Roofing Replacement Reserve : 2015 through 09/30/2017					
Date	Description		Increases	Decreases	Balance
1/1/2016	Balance				\$189,177
	2016 Quarterly Assessments				
	134 units X \$10.00 x 3 months				
	1st quarter		\$4,020		
	2nd quarter		\$4,020		
	3rd quarter		\$4,020		
	4th quarter		\$4,020		
	01/01 to 12/31/2016 Earned Interest		\$1,176		\$17,256
12/31/2016	Balance				\$206,433
	2017 Quarterly Assessments				
	134 units X \$10.00 x 3 months				
	1st through 4th quarter		\$16,080		
	01/01 to 12/31/2017 Earned Interest		\$1,408		\$17,488
12/31/2017	Balance				\$223,921
	2018 Quarterly Assessments				
	134 units X \$10.00 x 3 months				
	1st through 3rd quarter		\$12,060		
	01/01 to 09/30/2018 Earned Interest	(1)	\$1,081		\$13,141
9/30/2018	Balance				\$237,062
	(1) \$151,518 of the balance is in a CD maturing 03/31/2019 at an interest rate of .8%. The interest earned from that account is reflected in this analysis.				

SOUTH VILLA RESERVE BALANCE ANALYSIS
Exterior Maintenance and Roofing Replacement

Villa Roofing Replacement Reserve				
Projected Reserve Expense: 9/30/2018 through 12/31/2038				
9/30/2018	Balance			\$297,062
	2038 Projected Roof Replacement Costs			
	2017 Costs (134 units x \$19,000*)	(1)	-\$2,546,000	
	Estimated Cost Adjustment**	(1)	-\$965,067	
	Estimated Bank Charges	(2)	\$0	-\$3,511,067
	Quarterly Assessments			
10/01/18-38	\$4,020 x 4 x 20.25 years		\$325,620	
2018-38	Estimated Interest: 20.25 years	(3)	\$26,787	\$352,407
12/31/2038	Projected Reserve Balance	(4)		-\$2,921,598
	(1) Estimate based upon 2017 North Villa Egret Landing actual replacement costs* and a 1.6% inflation factor**.			
	(2) Amount based upon actual costs incurred for 2016 through 9/30/18 .			
	(3) Projection assumes increasing account balance at an interest rate of 1%.			
	(4) The projected deficit equates to an approximate assessment of \$21,803 for each owner. An additional monthly assessment of a \$91 increase per unit beginning 2019 would be required to make up projected deficit.			