

Oakpoint II Townhouse Association Inc FY 2025

Budget Notes Report

Operating Fund

GENERAL MAINTENANCE

200 - Part time Maintenance Director

Income: \$0.00

Expenses: -\$7,000.00

\$583.33 per month

BUILDING MAINTENANCE

300 - Foundation

Income: \$0.00

Expenses: -\$10,000.00

19 Oak Point Drive continues to experience subsidance of the subgrade under the NW corner of the foundation. A previous visit from repair specialists estimated \$8,000 to stabilize this area but recommended we wait until problems began to show in the building above this area. Now we have a clear vertical cracking of wall board above this corner. Some additional money is budgeted to shore up deck piers throughout our project as well.

310 - Siding & Trim

Income: \$0.00

Expenses: -\$1,000.00

There is still some gable ends and one chimney to repair left over from our roof replacement. Miscellaneous woodpecker damage about the project.

320 - Signage

Income: \$0.00

Expenses: -\$500.00

This signage line item is for building placards only. Most all of the wooden address placards on the street facing walls need to be faired and painted. There are green 911 signs on some properties (reflective metal signs that protrude out that make identification easy for all but especially for emergency responders). We should consider removing wooden placards and finish affixing 911 signs on each property. Much less maintenance burden.

330 - Painting

Income: \$0.00

Expenses: -\$2,000.00

Many faded surfaces on White Oak Drive and White Oak Avenue. This was a separate painting contract performed around 2021 and we have learned that they used a much cheaper fence paint that has not held up well. We have had to match it separately from our standard color to touch it up and, that is how we learned about it. Each of the next few years, we need to paint one of these four buildings with the good paint as part of our regular maintenance efforts until all four buildings have a good paint job. This line item also covers touch-up on all building siding, gables and trim. Painting and sealing of decks is not included here.

350 - Gutter Cleaning & Repair

Income: \$0.00

Expenses: -\$2,000.00

With our new gutter guards, this chore will be conducted in the early summer after tree blooms, and in the winter after leaves fall. They are much easier to clean now - just a brush type sweeping works well and the downspouts are not clogging at all so far.

360 - Storage Doors

Income: \$0.00

Expenses: -\$500.00

We have winterized a few doors to stemwall enclosures with a predictable improvement to prevent freezing pipes. Simple wooden twist locks on sprung door corners work well to re-train door shape and keep out drafts. This is mostly needed on Beaver Drive and Oakpoint Drive due to extra tall block stemwalls.

370 - Association Shop	Income: \$0.00	Expenses: -\$500.00
<p>2 large oak trees are crowding the shed on the West side. It needs to be shifted about one foot to the East to protect it from further tree incursions against the bottom plate of the West wall. We will try to build lateral grade beams to replace block piers so it can be winched along the beams and shifted to the East. The west wall needs to have tree damage repaired. Also the shop needs a lumber rack indoors to free up working space. At one time it had electric service to allow for lighting and a little heat to protect paint. The electric service would be a minimum bill of about \$30 / month. A porch light over the double doors and ramp would add considerable safety as well.</p>		

380 - Windows/Doors	Income: \$0.00	Expenses: -\$500.00
<p>This line item anticipates just minor work to help when a door won't shut or lock. Minor repairs and/or intervention until the Owner can secure professional help.</p>		

DECKS

400 - Repairs	Income: \$0.00	Expenses: -\$12,000.00
<p>We have really caught up with most major deck repairs. From here on we'll continue to make small repairs, i.e. replace rotten boards, rails and balusters. sister and replace bad joists. Resources should now shift to preservation of decks and stairs with pressure washing, fairing, painting and sealing.</p>		

420 - Pressure Wash, Paint & Seal	Income: \$0.00	Expenses: -\$12,000.00
<p>Some repairs with fresh treated lumber have, or soon will be sufficiently cured to paint and seal. Several decks are due for it.</p>		

GROUNDS

500 - Site Grading & Erosion Control	Income: \$0.00	Expenses: -\$5,000.00
<p>So many of our units are on steep ground and nearby erosion remains an ongoing concern. We are currently testing some control techniques including terracing of the worst slopes with native stone and or treated timbers. The Shaded front of 7 Oak Point Lane has been a wash-out and getting worse. It has old rotten timber walls that are failing. These are being removed and replaced with a combination of timber and native stone walls to create a terrace that should be a permanent solution. The Owner is contributing money as well as an incentive to get the work done. Accounts 530, 550, 560 and 595 are all funded in this budget to support small amounts of this kind of effort project-wide.</p>		

510 - Pavement Repair	Income: \$0.00	Expenses: -\$2,000.00
<p>The worst of our parking aprons has received an asphalt overlay and now the annoying problem is mostly old chip and seal pavement in the approaches to our parking aprons from the street. These should be addressed in concert with efforts by HISID or the City to repair much needed street pavement throughout Oakpoint II. In the meantime we would keep a smaller budget here and attempt to save for a more comprehensive repair program that is large enough to justify the mobilization expense of large paving companies.</p>		

515 - Cobble Step Repair	Income: \$0.00	Expenses: -\$2,000.00
<p>We've have lifted, repaired, sealed, painted and added rails to the worst of these that represented a safety hazard. We plan to do a few each year.</p>		

GENERAL AND ADMINISTRATIVE

600 - Property & Casualty Insurance

Income: \$0.00

Expenses: -\$45,000.00

We've had two very large claims within 3 years. This combined with an increasingly stressed claims experience nationwide, makes this line item, while significantly higher than last year's, very tenuous and subject to change. We expect a large increase if we are able to avoid cancellation altogether. To mitigate such chances of cancellation, we propose changes in our by-laws to require HO 6 coverage to be paid by home owners that will protect from the "studs in". Then the Association's master policy would only protect from the studs out which should reduce the damage limits and exposure of the Underwriter. We also recommend that we write in stricter building safety rules - especially where our decks are concerned. This will help to protect from fire losses such as those we've suffered on Beaver Drive. Last year the Capital Reserve Fund had to loan a little over \$7,000 to the Operating Fund to pay the greatly increased premium. Since that time in June of 2024, we have purposefully slowed spending in order to catch up Operating Fund Cash in anticipation of a very large cost this coming June.

625 - End of Year Review of Books

Income: \$0.00

Expenses: -\$1,500.00

FY 23 & 24 are under review.

Operating Revenue

710 - Homeowner Dues

Income: \$127,588.00

Expenses: \$0.00

Our current annual revenue of \$114,688.76 divided by 4 quarters equals \$28,672 per quarter. In 2025 we will have 1 quarter at \$28, 672 and 3 quarters at \$32,972 (15% increase) for a total of \$127,588. That is an increase of \$12,900 over 2024. Below we show spending in excess of revenue. However, the \$15,242 deficit shown does not account for carryover funds from 2024 of approximately \$18,000 which will keep the budget of \$142,830 within our means.

Fire Recovery Fund

1000 - Project Oversight

Income: \$0.00

Expenses: -\$4,552.00

This includes services such as Insurance Liason for Claims, Development of Plans and Specifications, Oversight of Bids & Proposals, Contract Management and Unit Owner/Stakeholder Coordination.

1100 - Plans and Specifications

Income: \$0.00

Expenses: -\$4,551.00

Costs to prepare drawings and written specifications sufficient to allow contractors to bid, demolish and build back the damaged or destroyed buildings on Beaver Drive.

1200 - Demolition

Income: \$0.00

Expenses: -\$122,612.00

Includes contractor fees to demolish and dispose of debris from the fire of October 2024. Also includes costs to prepare the site and salvaged structural components for reconstruction.

1300 - Reconstruction

Income: \$0.00

Expenses: -\$778,545.00

Cost to bid for and engage a competent contractor to build back damaged or destroyed buildings on Beaver Drive.

2000 - Insurance Proceeds

Income: \$910,260.00

Expenses: \$0.00

The insurance policy building limit for this property is \$1,011,400. The number in this line item assumes 90% of this limit. The resources available per square foot would be \$190.19 based upon the County Assessors record of the total living area of all four units in the building. The bidding and contracting process, as well as negotiations with the insurance company, will likely

result in a different number, either greater or smaller, than what is shown here.

2100 - Interest Earnings

Income: \$12,000.00

Expenses: \$0.00

Assumes an average annual balance of \$400,000 @ 3% interest.