

FROM: THE LAKEVIEW PARK VILLA BOARD

DATE: NOVEMBER 2015

TO: MEMBERS OF THE LAKEVIEW PARK VILLA HOME OWNERS ASSOCIATION

SUBJECT: FINANCIAL AND LANDSCAPING UPDATE

NO DUES INCREASE

In our last newsletter, we indicated that we would provide a financial update in our next communication. A detailed financial report will be mailed in the spring, and an opportunity to fully discuss the report will be provided at our annual meeting next summer. Bottom line, we are pleased to verify that our association dues will remain constant for 2016, and possibly even for the next few years.

We can provide this forecast with a good degree of confidence for several reasons. First, we now have the benefit of a full year's learning experience coupled with a clean history of expenditures for our new association. Second, we have replaced some "best guesses" with far better estimates derived from actual bids. And thirdly, with the help of the new Landscaping Committee and our Property Manager, we have been able to more clearly identify a few new and much needed expenditures in order to construct a budget with a greater degree of confidence. In short, we have used a year of learning to make a significantly improved budget based on much more accurate information.

PERFORMANCE STATEMENT

As indicated previously, a full financial report for the fiscal year 2015 will be provided in the spring. However, our operational expenditures were slightly favorable to budget even though we had to cover costs associated with becoming a new association. These costs included legal expenses, title searches, and other administration work that will not be required in the future. Both the roofing and painting reserves were fully funded as required by our covenants. Additionally, our strong financial performance has allowed us to create a new operational reserve fund, and a three percent contingency fund for the unexpected will also be included in the 2016 budget.

NEW FOR NEXT YEAR

This solid performance puts us in position to fund several much needed projects. We have budgeted to seal half the driveways with the remainder to be done in 2017. We are also going to clean gutters and provide for inspections and maintenance of downspout drains. We have budgeted for maintenance of the street lights. Provisions have been made to paint approximately two-thirds of our front doors working from a prioritized list yet to be constructed. We have also provided a special fund to help cover a new highly anticipated landscaping program which will be described below. Some adjustments to these programs may become necessary as we move into the details, and as such the Board reserves the right to draw from our new operational reserve if money can be saved on the long run.

LANDSCAPING

At our annual meeting last June, the members voted to organize a landscape committee to assist the Board and our property manager in the planning, development, and budgeting of future landscape projects. I asked Sharon Kaczmarowski (our landscape committee chairperson) to give us a brief summary of their progress. Following is her report:

Our goal is to create a "road map" for implementing maintenance, replacement plantings and other features in such a way as to control/reduce costs while achieving continuity of design resulting in a healthier, thriving and more beautiful landscape. To accomplish this, the committee determined the first step was to engage an experienced local landscape architect to walk through our community and evaluate what we have, what we don't need, and how to maintain what we keep. The committee selected Bruce Boody of Whitefish. Conclusions of this "walk through" were very productive. Of primary importance was verification that we have a solid overall design and an appropriate irrigation system. However a number of suggestions were made to improve a number of our planting areas over time. Every idea was documented and passed on to our Board and our property manager.

The second step of the program is to develop what the architect calls a "typical" planting plan. To save money, rather than hand measure each site, we have agreed that he will photograph the planting areas to visually measure the sites, draft a base plan, a landscape plan, and a recommended plant list for each of these areas: entry walks between units, driveway islands, and entry (street) side areas. The list will take into consideration such things as sun tolerance, mature size, and deer resistance. The architect will also provide a "plant book" with pictures as reference.

This part of the project is well under way, and will allow adequate time for review and preparation for any spring planting that we may do. Entrances to the community have already been discussed in detail, and can therefore be easily implemented by the committee. It is anticipated that the entrances will be simplified and reduced in scope with perennial flowers being utilized instead of all annuals.

One of the strongest recommendations made by Bruce is that there needs to be substantial pruning and trimming of trees and shrubs as well as spike fertilization. Much of this has been deferred, and is badly needed.

Thank you for your review of our newsletter. We hope that it has been informative, and hope that you will agree that we have arrived at a budget and a plan which will provide for a great 2016.

In closing, the Board would like to stress the importance of member attendance at the annual meeting. Member input for future budgets and projects is fundamental to a well-run association and great place to live. Please come!

Sincerely and on behalf of the Board of Directors:

Paul Lentz - President

2016 Budget

Income			Totals
	Dues		\$ 133,980
General Expenses	Property Management & Administration	\$ 9414	
	Legal	\$ 3,000	
	Lawn Maintenance	\$ 40,115	
	Common Area Lawn Care & Maintenance	\$ 5,565	
	Entrance Lawn Care & Maintenance	\$ 2,500	
	Road Maintenance & Snow Removal	\$ 2,000	
	Utilities & Irrigation	\$ 5,800	
	Misc. (Pavilion, Aquatic Weed Abatement, etc.)	\$ 3,990	
	Pest Control	\$ 3,535	
Special Projects	Door Painting	\$ 5,500	
	Gutters & Downspouts	\$ 1,700	
	Driveway Resealing	\$ 2,000	
	Street Light Maintenance	\$ 1,200	
	Special Landscape Program	\$ 5,000	
	Contingency	\$ 4,065	
	Bad Debt	\$ 2,000	
	Total General & Special Project Totals		\$ 97,385
Reserves	Painting Reserve Contribution	\$ 23,500	
	Roofing Reserve Contribution	\$ 12,800	
	Reserve Contribution Totals		\$ 36,300
Total Expenses			\$ 133,685
Net Income			\$ 295