

Lake View Park Villas 2020 Year End HOA Letter

February 1, 2021

Salutations!

On behalf of the Board of Governors, we hope you and your families are safe and well as we all continue to cope with this terrible pandemic that has disrupted so many of our lives. This last year has certainly brought many of us to reflect how fortunate we are to have our wonderful Montana neighborhood. Writing this letter comes with the hope for a better summer and a return to the normal activities that makes the Flathead such a special place.

Purpose of this Newsletter

This newsletter will again try to accomplish four things: (1) share some financial information; (2) recap the year just finished, (3) preview what will be going on in the new year: and (4) share some final thoughts.

Our Year End Financials

Our Association results were very strong, within budget and on plan. Attached to this newsletter, you will find the 2020 financial Profit & Loss and Balance Sheet. With the help of our Property Manager and Design Review Committee, we met our operational requirements with good quality while finding a few economies along the way resulting in an underrun of our budget by \$6,558 or 6.5%. We are also pleased to report that we successfully started our roofing program, continued our annual targeted painting program, and completed our other planned special projects. As a result and as expected, we spent a total of \$101,661 from our reserves which was our largest capital outlay since forming our HOA. This has left us with a capital reserve of \$364,324. Our operational reserve was untouched and currently sits at \$26,264 which is above the \$25,000 CC&R requirement. Once again our books were audited. As always, a full set of financial statements will be posted on our web site at lakeviewparkvillas.com.

Long- Range Financial Planning

Our Design Review Committee continued to manage our 20 Year Long-Range Plan (LRP) in an effort to provide sufficient reserve funding to meet all of our special project needs. By agreement and design, the plan's assumptions do not include an inflation factor. It does include a small contingency that has never been used. The reason for this type of planning is to keep pressure on the Committee and Board to make every effort to keep project costs as reasonable as possible. We simply do not want to form the habit of asking for money unless we have exhausted all possible avenues. However, a tight planning process also increases the risk to unforeseen rapid cost increases such as was experienced with our recent 50% increase in roofing costs. Going forward, we are well aware that our valley is experiencing a near unprecedented housing boom which has not only increased the value of our homes, but also is expected to bring added pressure to our planning. Already we have made efforts to lock in our costs for our next three roofs. We will also attempt to spread out some planned work. Additionally we might consider obtaining a bank loan to help us get through the roofing program. We will also work to keep the pond embankment project to our allocated project budget. The bottom line is that we take dues increases as a last resort, and will continue to do so. After all, all of us who are participating in the work are subject to the dues increases as well. We want to thank you for your understanding.

Accomplishments

The following highlight the major work completed in 2020:

- Continued our Annual Painting Strategy. We spent \$22,750 to paint only in areas of need throughout the neighborhood. The entire 2020 plan was not completed due to weather conditions. The unfinished work will be added to the 2021 plan. We will work to have our HOA be given a higher priority so as to start earlier this summer as we were obviously at the back of the line.
- Completed an Aggressive Replanting Project. We spent over \$10,000 to replace and upgrade plantings throughout the HOA. We suffered significant winter kill and a number of trees needed replacing as well. This

amount was \$6,000 more than budgeted but the work done almost exclusively by Black Magic received a number of compliments.

- Successfully Completed the Planned Drainage Projects . The planned Park Side direct-to-road drains were installed. In addition a sump pump was installed in the Park Side water feature drainage pond. Both of these projects provided a significant reduction in back yard flooding during periods of heavy rainfall. Also a sump system was installed to alleviate front yard flooding at the units at 451 Eagle Bend Drive and 91 Bay Harbor Drive on the Lake Side.
- Completed Sealing Program. We successfully resealed every driveway in our neighborhood as well as the Lake Side patios.
- Completed First Two Re-Roofs. We contracted Rooftop systems and had the roofs done at 385/395 Eagle Bend Drive and 23/27 Bay Harbor Drive.
- Submitted for Pond Embankment Project Permits. The Board and the Design Review Committee worked with Larsen Engineering to complete the necessary designs and scope of work to obtain all proper permits for this project.

On Tap for This Year

This coming year will continue to provide a few challenges and as such our agenda will include the following:

- Complete the Pond Embankment Project
- Expand the Drainage Program for Units at 385/395 Eagle Bend Drive
- Continue our New Painting Strategy.
- Continue to deliver on our Black Magic Landscaping Program.
- Replace Three More Roofs at 31/35, 39/43, 47/51 Bay Harbor Drive
- Seal the Park Side Patios
- Repair some Fencing
- Begin the Process of External Light Replacements

A Note on the Pond Embankment Project

As mentioned earlier, there is one project that we know has to be addressed, but we have yet to fully get our arms around the project to the point that we can price it out. This is what we call the Pond Embankment Project. On the Lake View side, there is a large pond behind all the units that is owned by the golf course. Behind several of the residences, the original rock rip rap wall has sloughed down, resulting in a destabilization of the pond wall. This has further resulted in the subsidence of the surrounding soil in a few areas which is causing problems. For example, the rock planter between the residences in some instances is starting to disintegrate. In some units the patio slab has been undermined and slight cracking is resulting. We know that this has to be addressed, we know that it is a responsibility of the HOA to correct it, but as mentioned, we need to resolve how many homes are actually exposed to some type of potential structural problem, and then how do we fix the problem. We have hired two engineering teams to figure this out. One is a Geo tech engineer to work with soils and water, the other has already completed surveys, and will be responsible for determining how widespread the real problem is, and what the quantities of materials needed to correct the problem will be. Four members from our Design Review Committee: Bob Lust, Jon Cantwell, Greg Oswood and myself; are coordinating and working with these engineers. Frankly, we are seeing a little of the “too-busy-to take-on-such-a-small-project” malady common throughout the valley from the actual earthwork contractors. Once we nail down an exact scope of work and have determined the best way to remedy the problem, we will have to hire a contractor to actually do the work. It is a complex problem, with multiple options to evaluate. We will determine which one best suits our needs and budget. Brian Antweil our Vice President has assumed responsibility for resolving the legal aspects of the project with the golf course. Our timeline for when the work can be started has not been determined. We presently have \$120,000 set aside in our capital reserve for this project and there is some concern that this one project may not be sufficiently covered in our Long Range Plan. Two other members from our Design Review Committee: Our Secretary/Treasurer – Ron Ransom and Bob Burke have been tasked with looking into financing options in case we need additional funds for this project.

Final Notes

This will probably be our last Newsletter prior to our Annual Meeting this summer. Hopefully we will all be able to physically get together this year to discuss everything that is going on, and as importantly meet and greet all our new members that have purchased homes in the HOA since our last actual meeting. As always, please spend some quality time thinking through everything that we have going on. Make a list and bring them to our annual meeting so they can be discussed. At this point, we are not aware of any projects that are needed that haven't been identified. Also, please review the Website and make sure you are familiar and comfortable with all our projects and corresponding budgets. Our Board and Design Review Committee will continue to work to a high level of transparency but good communications will still need your help and your participation.

Once again Ron, Brian and I as elected a year ago are honored to serve for the next two years of our terms. We thank you for your support and we pledge to keep earning your trust going forward. However, we are always in need of help. If you would like to serve on a committee or if you would be interested in running for the Board please let us know.

Thank you for your review of this newsletter, and we look forward to seeing you at this Annual Meeting.

Sincerely,
On Behalf of the Board

Paul R. Lentz
President

Brian Antweil
Vice President

Ron Ransom
Secretary/Treasurer

LVPV 2020 Profit and Loss (Cash Flow) Statement

Income	Dues for Operation	\$ 101,456
	Dues for Capital or Long-Range Special Projects	\$ 56,984
	Interest Income	\$ 1,259
	FEC Capital Credit Refund	\$ 57
	Total Income	\$ 159,756
Expense	General	
	Administration	\$ 11,107
	Lawn Care & Maintenance	\$ 50,555
	Utilities & Irrigation	\$ 3,762
	Road Maintenance & Snow Removal	\$ 6,043
	General Maintenance & Pest Control	\$ 14,095
	Miscellaneous & Contingency	\$ 6,110
	Capital or Long-Range Special Projects Spending	
	Roofing	\$ 57,835
	Painting	\$ 22,750
	Pond Embankment Restoration (Initial Engineering)	\$ 6,730
	Gutters & Downspouts & Irrigation Upgrade	\$ 7,296
	Drainage	\$ 3,750
	Sealing of Driveways & Lake Patios	\$ 6,500
Total Expenses & Special Project Spending	\$ 196,534	
Net Income	Net Income (Loss)	(\$ 36,778)

LVPV 2019 Balance Sheet

Assets	Long Range Special Projects Reserve	\$ 364,324
	Operating Reserve	\$ 26,264
	Checking	\$ 14,024
	Accounts Receivable	(\$ 12,555)
	Total Assets	\$ 393,227
Liabilities & Equity	Retained Earnings	\$ 430,004
	Net Income	(\$ 36,778)
	Total Liabilities & Equity	\$ 393,227