

**MILLRIDGE HOMEOWNERS ASSOCIATION
2015 Approved Operating Budget**

CMI/10/MRHOA

Millridge HOA Budget 2015							
Fiscal Ending Date: 12-31				2015	2015		
Starting Date: 8-01-2014 - 7-31-2015		2014	12 MONTH	PENDING	PENDING		
CODE	INCOME	MONTHLY BUDGET	AVERAGE EXPENSE	MONTHLY BUDGET	ANNUAL BUDGET	Variance by	
						%	\$
5000	Homeowners' Fees	24,200.50	23,412.66	24,611.91	295,342.92	1.7%	411.41
5230	Clubhouse Income	46.00	4.17	46.00	552.00	0%	0.00
5830	Interest Income	1.50	2.03	2.00	24.00	33%	0.50
5845	Late Charges	62.00	57.92	58.00	696.00	-6%	-4.00
	TOTAL INCOME	24,310.00		24,717.91	296,614.92	1.7%	407.91
6060	Electric	415.00	388.94	415.00	4,980.00	0%	0.00
6090	Garbage	1,250.00	1,428.54	1,428.00	17,136.00	14%	178.00
6105	Gas	210.00	129.56	150.00	1,800.00	-29%	-60.00
6150	Sewer	3,935.00	3,727.11	3,935.00	47,220.00	0%	0.00
6195	Water	2,000.00	1,856.01	2,000.00	24,000.00	0%	0.00
6225	Plumbing Maintenance	50.00	36.13	50.00	600.00	0%	0.00
6540	Gutters & Downspouts	225.00	464.75	440.00	5,280.00	96%	215.00
6585	General Maintenance Supplies	10.00	1.12	10.00	120.00	0%	0.00
6675	Pest Control	60.00	20.83	40.00	480.00	-33%	-20.00
6690	Property Maintenance	1,300.00	616.82	1,100.00	13,200.00	-15%	-200.00
6735	Roof Maintenance	175.00	116.00	175.00	2,100.00	0%	0.00
7105	Office Expense - CMI	226.00	283.77	284.00	3,408.00	26%	58.00
7330	Office Expense - HOA	50.00	19.51	20.00	240.00	-60%	-30.00
7120	Consulting Fees	62.50	62.50	62.56	750.72	0%	0.06
7225	Insurance	2,308.34	2,141.22	1,500.00	18,000.00	-35%	-808.34
7255	Legal	295.00	383.46	325.00	3,900.00	10%	30.00
7285	CMI Management Expense	50.00	75.00	50.00	600.00	0%	0.00
7300	CMI Management Fee	1,925.15	1,925.15	1,969.35	23,632.20	2.3%	44.20
7375	Website Expense	50.00	54.17	50.00	600.00	0%	0.00
7465	Taxes, Licenses, Fees & Audits	375.00	315.00	375.00	4,500.00	0%	0.00
7480	Bad Debts - Uncollectable	482.00	910.01	470.00	5,640.00	-2%	-12.00
7630	Sprinkler System Repair	115.00	199.74	175.00	2,100.00	52%	60.00
7675	Landscape Maintenance Contract	3,200.00	3,366.67	3,200.00	38,400.00	0%	0.00
7690	Landscape Improvements	500.00	497.52	400.00	4,800.00	-20%	-100.00
8455	Club House Expense	100.00	59.60	60.00	720.00	-40%	-40.00
8530	Swimming Pool Maint & Chemicals	750.00	745.67	750.00	9,000.00	0%	0.00
	TOTAL FROM OPERATIONS	20,118.99		19,433.91	233,206.92	-3%	-685.08
1790	General Operating Contingency	751.01	751.00	751.00	9,012.00	0%	-0.01
1908	Replacement Reserves	3,440.00	3,440.00	4,533.00	54,396.00	32%	1,093.00
	TOTAL OPERATIONS & RESERVE	24,310.00		24,717.91	296,614.92	1.7%	407.91
These projections are subject to increase or decrease to reflect changes in operating policies, and/or level of service, inflation or other causes. These projections are only estimates, prepared with due care.							
CURRENT COLA AT BUDGET FORECAST = 1.7%							

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Cell: B7

Comment: HOMEOWNERS FEES: Income collected on HOA owners fees monthly.

Cell: B8

Comment: CLUBHOUSE INCOME: Income collected on clubhouse rental. This income is based upon the last 12 months actual.

Note: The budget committee will set the final number in this category.

Cell: B9

Comment: INTEREST INCOME: Income collected on interest. This income is based upon the last 12 months actual.

Note: The budget committee will set the final number in this category.

Cell: B10

Comment: LATE CHARGES: Income collected on HOA owners for late fees. This income is based upon the last 12 months actual.

Note: The budget committee will set the final number in this category.

Cell: B13

Comment: ELECTRIC:

This is for exterior building lights, parking area/street lights, landscape lighting, and irrigation controllers.

PGE expects to increase rates by 5% on 01/01/15. We have based the budget number on the previous 12 months of actual expense plus the anticipated increase.

Note: The budget committee will set the final number in this category.

Cell: B14

Comment: GARBAGE:

Based on current monthly expense from Walker Garbage. Walker does not anticipate a rate increase in 2015 at this time. Rate increases are made by the county and cannot guarantee there will not be a raise in the future.

Note: The budget committee will set the final number in this category.

Cell: B15

Comment: GAS:

This is for pool and rec room heaters (rec room year round, pool seasonal). NW Natural expects to increase rates between 5% and 6% as of 11/1/14. We have used 6% for this budget.

Note: The budget committee will set the final number in this category.

Cell: B16

Comment: SEWER:

Residential and irrigation sewer/runoff. Based on 12 month current average usage. There will be a 5% increase for sewer per Clean Water/Sewer Department effective 11/01/14. We have based the budget number on the previous 12 months of actual expense.

Note: The budget committee will set the final number in this category.

Cell: B17

Comment: WATER:

Residential and irrigation water. Based on 12 month current average usage plus 5% projected increased for water per Tualatin Valley Water Department effective 11/01/14. We have based the budget number on the previous 12 months of actual expense plus the anticipated increase.

Note: The budget committee will set the final number in this category.

Cell: B18

Comment: PLUMBING / MAINTENANCE: For purposes of this budget, we have used the same figure from 2014.

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Note: The budget committee will set the final number in this category.

Cell: B19

Comment: Gutters & Downspouts

Based upon gutter cleanouts and repairs. For purposes of this budget, we have used the figure from the last 12 months of average expense in this category.

Note: The budget committee will set the final number in this category.

Cell: B20

Comment: GENERAL MAINTENANCE SUPPLIES: This category covers miscellaneous supplies used for building and property maintenance. For purposes of this budget, we have used the same amount as 2014 for the 2015 budget.

Note: The budget committee will set the final number in this category.

Cell: B21

Comment: PEST CONTROL:

This category covers periodic pest control of bees, carpenter ants etc. Note: For purposes of this budget, we have used the same figure as 2014 for 2015 budget.

Note: The budget committee will set the final number in this category.

Cell: B22

Comment: PROPERTY MAINTENANCE:

Maintenance contingency for common elements. Repairs during the last 12 months have included building repairs and minor property repairs. Much of the work done was uncovered during the building work, but was unrelated to the assessment work. For purposes of this budget, we have used the same amount as 2014 for the 2015 budget.

Note: The budget committee will set the final number in this category.

Cell: B23

Comment: ROOF MAINTENANCE: This category covers periodic roof maintenance. For purposes of this budget, we have used the same number as 2014. There were additional roof repairs but paid out of replacement reserves.

Note: The budget committee will set the final number in this category.

Cell: B24

Comment: Office Expense CMI:

This category is for CMI related office expenses such as copies, stationary & postage as well as annual meeting preparation, newsletters, and education seminars for Board members. We have based the budget number on the last 12 months actual expense.

Note: The budget committee will set the final number in this category.

Cell: B25

Comment: Office Expense HOA:

This category is for HOA related office expenses such as copies, stationary & postage as well as annual meeting preparation, newsletters, and education seminars for Board members. We have based the budget number on the last 12 months average actual expense.

Note: The budget committee will set the final number in this category.

Cell: B26

Comment: CONSULTING FEES: This category covers any building envelope consulting and reserve study / maint plan update. Current updates are performed by Schwindt & CO for Reserve Study / Maint Plan. We have used the numbers from an estimate from Schwindt & CO to perform a no site visit reserve study / maint plan update for \$750 annually.

Note: The budget committee will set the final number in this category.

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Cell: B27

Comment: INSURANCE: Current carrier is American Family Insurance and this category covers current monthly premium.

EXAMPLE OF CURRENT SPECIFICATIONS:

American Family - CURRENT CARRIER
Building Amount - GUARANTEED REPLACEMENT COST
Deductible - \$10,000
Liability - \$2,000,000
Directors & Officers - \$1,000,000 + \$10,000,000
Employee Dishonesty - \$150,000
Building Ordinance or Law - YES
Building Damage Endorsement - YES
Earthquake - YES (Ratable Limit \$13,340,839)

AmFam Premium - \$17,948.20

Cell: B28

Comment: LEGAL:

Contingency for misc. legal expenses, generally involving the association, owners, and/or legal documents/resolutions/house rules. This does not include collection of delinquent accounts; those charges are paid by the delinquent owner. For this budget item we have left the same amount as 2014.

Note: The budget committee set the final number in this category.

Cell: B29

Comment: MANAGEMENT EXPENSE:

This budget items covers extra management expense over contract. Generally these include attending extra meetings, meetings over 2 hours in length, insurance claim work, audit/review work, and extra work from the accounting department on and special or operating assessments.

Note: The budget committee will set the final number in this category.

Cell: B30

Comment: MANAGEMENT FEE:

Based on current executive services agreement with CMI. Per the CMI contract, the 2014 management fee will increase by CPI, which was stated at 2.3%.

Note: The budget committee set the final number in this category.

Cell: B31

Comment: WEBSITE EXPENSE:

Based on current website agreement with CMI. Expenses average \$50 a month. Note, this was a new category in added mid-year in 2012.

Note: The budget committee set the final number in this category.

Cell: B32

Comment: 7465 - TAXES, LICENSE, FEES & AUDITS

Expense includes Tax Preparation, Audit, Oregon Real Estate Condominium Report, Secretary of State Corporate Division Renewal, Bank fees.

Expense categories in this area include:

\$267 + \$222 - Washington Co. Pool Permits
\$1,700 Schwindt financial review
\$275 tax prep
\$15 per month bank fee (US Bank)
\$150 Oregon state income tax fee
\$25 Real estate agency condominium report
\$50 Annual report corporate division renewal

Note: The budget committee will set the final number in this category.

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Cell: B33

Comment: Bad Debs - Uncollectable: This category acknowledges potential uncollectable debt due to the association. Over budget for 2014; we do not expect this in 2015.

Note: The budget committee will set the final number in this category.

Cell: B34

Comment: SPRINKLER SYSTEM REPAIR: This category covers irrigation repairs. . Due to the age of the irrigation system, we have used the budgeted figure from the last 12 months of average actual expense.

Note: The budget committee will set the final number in this category.

Cell: B35

Comment: LANDSCAPE MAINTENANCE CONTRACT: Contract work provided by the landscape vendor Absolute Perfection Landscape. A contract was recently signed with Absolute, so a rate increase is not expected for 2015. We have based the budget number on the current rate of \$3,000 per month.

Note: The budget committee will set the final number in this category.

Cell: B36

Comment: LANDSCAPE IMPROVEMENTS: This covers any landscape improvements over the contract price. For purposes of the budget, we have used the current 2014 budget number.

Note: The budget committee will set the final number in this category.

Cell: B37

Comment: CLUB HOUSE EXPENSE: This category covers any expense associated with the clubhouse. For purposes of this budget, we have used the figures from the 2014 budget.

Note: The budget committee will set the final number in this category.

Cell: B38

Comment: SWIMMING POOL CHEMICALS: This category covers pool chemicals and water testing equipment for the 2 pools. These are usually purchased in bulk by the board and reimbursed. For purposes of this budget, we have used the figure from the last 12 months actual average expense.

Note: The budget committee will set the final number in this category.

Cell: B41

Comment: General Operating Contingency:
Industry standard is to budget 5-10% of the monthly operating budget as an operating contingency for unexpected or under budgeted operating expenses. We have used approximately 2% for this budget.

Note: The budget committee will set the final number in this category.

Cell: B42

Comment: Replacement Reserves:
Oregon statute requires Association to reserve funds for replacement of common elements with life expectancies of 3 to 30 years. Schwindt & CO performed a full onsite reserve study and maint plan in 2012. The recommended 2015 contribution number is set by Schwindt & CO in their report.

Note: The budget committee set the final number in this category.