

**MILLRIDGE HOMEOWNERS ASSOCIATION
2018 PROPOSED OPERATING BUDGET**

CMI/10/MRHOA

Millridge 2018 Budget							
Fiscal Ending Date: 12-31-18							
CODE	INCOME	2017	12 MONTH	2018	2018	Variance by	
		MONTHLY BUDGET	AVERAGE EXPENSE	PROPOSED MONTHLY BUDGET	PROPOSED ANNUAL BUDGET	%	\$
5000	Homeowners' Fees	25,003.25		\$25,503.31	306,039.72	2.00%	500.06
5230	Clubhouse Income	41.67	43.9	\$41.67	500.04	0.01%	0.00
5830	Interest Income	3.67	7.38	\$3.67	44.00	0.00%	0.00
5845	Late Charges	38.33	42.18	\$38.33	460.00	0.00%	0.00
	TOTAL INCOME	25,086.92		\$25,586.98	307,043.76	1.99%	500.06
6060	Electric	425.00	436.97	450.00	5,400.00	5.88%	25.00
6090	Garbage	1,470.50	1,433.61	1,470.00	17,640.00	-0.03%	-0.50
6105	Gas	184.50	98.45	141.67	1,700.04	-23.21%	-42.83
6150	Sewer	4,309.50	4,176.48	4,208.33	50,499.96	-2.35%	-101.17
6195	Water	2,938.83	2,640.62	3,041.67	36,500.04	3.50%	102.84
6225	Plumbing Maintenance	66.67	0.00	66.67	800.04	0.00%	0.00
6540	Gutters & Downspouts	583.33	128.83	308.33	3,699.96	-47.14%	-275.00
6585	General Maintenance Supplies	20.83	32.15	25.00	300.00	20.00%	4.17
6675	Pest Control	280.00	166.25	140.00	1,680.00	-50.00%	-140.00
6690	Property Maintenance	872.50	1,085.86	833.33	9,999.96	-4.49%	-39.17
6735	Roof Maintenance	208.33	672.25	416.67	5,000.04	100.00%	208.34
7105	Office Expense - CMI	275.67	181.83	166.67	2,000.04	-39.54%	-109.00
7330	Office Expense - HOA	45.83	17.08	41.67	500.04	-9.08%	-4.16
7120	Consulting Fees	62.50	0.00	145.83	1,749.96	133.33%	83.33
7225	Insurance	2,081.47	2,089.89	2,274.33	27,291.96	9.27%	192.86
7255	Legal	250.00	98.83	125.00	1,500.00	-50.00%	-125.00
7285	CMI Management Expense	75.42	49.48	41.67	500.04	-44.75%	-33.75
7300	CMI Management Fee	2,000.85	1,969.35	2,019.00	24,228.00	0.91%	18.15
7375	Website Expense	50.00	50.00	50.00	600.00	0.00%	0.00
7465	Taxes, Licenses, Fees & Audits	375.00	230.00	250.00	3,000.00	-33.33%	-125.00
7480	Bad Debts - Uncollectable	416.67	0.00	60.00	720.00	-85.60%	-356.67
7630	Sprinkler System Repair	308.33	246.00	250.00	3,000.00	-18.92%	-58.33
7675	Landscape Maintenance Contract	2,827.00	2,898.33	2,983.00	35,796.00	5.52%	156.00
7690	Landscape Improvements	325.00	324.67	250.00	3,000.00	-23.08%	-75.00
8455	Club House Expense	50.00	25.00	50.00	600.00	0.00%	0.00
8530	Swimming Pool Maint & Chemicals	833.33	639.72	666.67	8,000.04	-20.00%	-166.66
	TOTAL FROM OPERATIONS	21,337.07	8,638.35	20,475.51	245,706.12	-4.04%	-861.56
1790	General Operating Contingency	0.00			0.00	0.00%	0.00
1908	Replacement Reserves	3,749.85		5,111.00	61,332.00	36.30%	1,361.15
	TOTAL OPERATIONS & RESERVES	25,086.92		25,586.51	307,038.12	1.99%	499.59
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 = 2.0%						

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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.

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

Cell: B9

Comment: INTEREST INCOME: Income collected on interest.

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 6% on 1/1/18. 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 Of \$1470. Walker does not anticipate a rate increase in 2018 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 has not announced an increase for 2018.

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 4% increase for sewer per Clean Water/Sewer Department. 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 4% projected increased for water per Tualatin Valley Water Department. 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 amount as 2017 for the 2018 budget.

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

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Cell: B19

Comment: Gutters & Downspouts

Based upon gutter cleanouts and repairs. For purposes of this budget, we have used the figures from the 2017 budget.

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 figures from the last 12 months of actual average expenses.

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. For purposes of this budget, we have used the figures from the last 12 months of actual average expenses.

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. For purposes of this budget, we have used the figures from the last 12 months of actual average expenses.

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 figures from the last 12 months of actual average expenses.

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. For purposes of this budget, we have used the figures from the last 12 months of actual average expenses.

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. For purposes of this budget, we have used the figures from the last 12 months of actual average expenses.

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.

Cell: B27

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

EXAMPLE OF CURRENT SPECIFICATIONS:

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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)
Workers Comp For Volunteers - Yes

AmFam Premium - \$2127.38 Monthly

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 purposes of this budget, we have used the figures from the last 12 months of actual average expenses.

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. For purposes of this budget, we have used the figures from the last 12 months of actual average expenses.

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 2018 increase will be based upon current CPI as of June 2017 which was 2.5%.

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: 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:

\$489 - Washington Co. Pool Permits

\$1,750 Schwindt financial review

\$275 tax prep

\$15 per month bank fee (US Bank)

\$50 Annual report corporate division renewal

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

Cell: B33

Comment: Bad Debs - Uncollectable: This category acknowledges potential uncollectable debt due to the association. For purposes of this budget we have set

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the figure equal to the doubtful uncollectable debt in the current financial which was \$715.

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

Cell: B34

Comment: SPRINKLER SYSTEM REPAIR: This category covers irrigation repairs. For purposes of this budget, we have used the figures from the last 12 months of actual average expenses.

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 Pacific Landscape. The amount of \$2727 is the current rate. An increase for 2018 has not been announced.

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 2017 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 figure from the 2017 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. For purposes of this budget, we have used the same amount as 2016 for the 2017 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 will perform a full onsite reserve study and maint plan in 2017/18. Until this study is complete, we have used the contribution figure from the 2017 budget.

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