

Date: February 5, 2025
To: Board of Directors
Care of: Vaughn Dieter

Property: Sorbonne Townhomes and Cottages, Coeur d'Alene, Idaho
Service: Full
Attachment: Full Report

Criterion-Pfaff Engineers has completed a Reserve Study for the Sorbonne Townhomes and Cottages Association. Here is our report for the Board's review and consideration.

This Reserve Study has been performed in general accordance with the Community Association Institute (CAI) National Reserve Study Standards.

Our report should be reviewed in its entirety, including its Appendices which contain the financial analysis, captioned photographs, and reference documents.

If you have any questions or would like to direct any follow-up service, please contact us at: 509-467-8554.

Criterion-Pfaff Engineers appreciates this opportunity to assist the board and its management in support of the Association's facility and financial planning.

Respectfully submitted,

Criterion-Pfaff Engineers

A handwritten signature in dark ink, appearing to read "Ken Pfaff", is written over a light blue horizontal line. The signature is fluid and cursive.

Ken Pfaff P.E.
President

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Full

Prepared for:

The Board at Sorbonne Townhomes and Cottages

Prepared By:



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Site Inspection: July 17, 2024
Submitted: February 5, 2025

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1. INTRODUCTION

As requested by Vaughn Dieter on behalf of the Board of the Sorbonne Townhomes and Cottages (hereinafter referred to as Sorbonne Townhomes and Cottages or the "Association") Criterium-Pfaff Engineers has completed a Reserve Study.

We have conducted the study in general accordance with the National Reserve Study Standards published by the Community Association Institute (CAI). Please refer to Appendix D containing copies of CAI documentation and also glossaries of common terms and abbreviations which appear in this report.

This study was conducted by licensed Professional Engineers. Please refer to Appendix E for the qualifications of the project team.

A kick-off on-site meeting was held with the Property Manager. The on-site inspection occurred on July 17, 2024. Board

In preparation for the on-site inspection, we reviewed all provided documentation regarding the community's configuration, maintenance history, recent operations and facility plans. Your Property Manager provided financial reports including overall condominium fees, the rate of contribution to the reserve fund, and the reserve balance. We have based our cash-flow projections on the provided information.

Ken Pfaff P.E., President conducted the study, developed the attached reserve budget projection and funding analysis and prepared this report.

This report must be reviewed in its entirety to understand our findings and their limitations. The Appendices are an integral part of this report and must be included in any review.

2. EXECUTIVE SUMMARY

The Association is a 56-unit residential community located in Coeur d'Alene, ID. The property was developed in 2008.

In summary, we find the common components of the property to be generally in good condition. We observed some deficiencies and deferred repairs as is typical. They are noted in Section 4 of the report.

The 30-year total of all budget items is approximately \$525,899.54 in current dollars, or \$801,546.34 in future dollars after adjustment for 3.00% annual inflation.

Our financial analysis indicates the Association's current annual rate of contribution to its reserve fund, \$5,000.00, if carried forward unchanged, would prove insufficient to cover anticipated reserve expenditures.

Criterion-Pfaff Engineers has developed alternative funding plans that would result in prudent positive year-end balances throughout the planning period for the Board's consideration.

See more detailed discussion of budget projections and funding analysis in report Sections 4 & 5, and 30-Year cash-flow projections of both the current and alternative funding plans in Appendix A.

	Current Funding	Alternative 1	Alternative 2	Alternative 3
ASSOCIATION				
Starting Balance	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00
Contributions	\$150,000.00	\$962,000.00	\$1,014,811.24	\$1,105,000.00
Additional Capital	\$0.00	\$0.00	\$0.00	\$0.00
Interest / Returns	\$4,602.90	\$76,085.08	\$57,125.59	\$76,393.08
Expenditures	\$801,546.34	\$801,546.34	\$801,546.34	\$801,546.34
Ending Balance	(\$625,943.44)	\$257,538.74	\$291,390.49	\$400,846.74
OWNER				
Avg Contributions (/unit/ year)	\$89.29	\$572.62	\$604.05	\$657.74
Avg Contributions (/unit/ month)	\$7.44	\$47.72	\$50.34	\$54.81

3. PURPOSE & SCOPE

3.1. OBJECTIVES

Typically, a community has two broad cash requirements: general operation and maintenance (O&M) expenses and reserve expenditures for significant non-annual repairs and replacements of Association-responsible portions of the community.

This study focuses on major, non-annual expenditures for common components funded from the Association's reserve fund.

This report is intended to be used as a tool by the Association for considering and managing the Association's future financial obligations; for determining appropriate reserve fund expenditures and rates of contribution; and for informing the individual Owners of the community's future needs and the resulting financial plan.

3.2. LEVEL OF SERVICE

Washington State statutes and The Community Association Institute (CAI) identifies three levels of service for Reserve Studies. All may be appropriate for a community, depending on the condition of the facility and the phase of their planning cycle.

- I. Full Reserve Study, with site visit
- II. Reserve Study Update, with site visit
- III. Reserve Study Update, without site visit

The CAI National Reserve Study Standard in Appendix C contains more detail on these levels of service and the scope of study of each of them.

Our current study for the Association is a Level I Full.

Our actual scope of service is enhanced and exceeds the CAI standard in these ways:

- Our investigation and evaluation of the common components was performed by experienced, licensed Professional Engineers and CAI-certified Reserve Specialists.
- When appropriate to enhance facility performance or energy efficiency or code compliance, we recommend upgrades of configuration or quality of construction.
- After preparing and submitting our initial analysis, we will meet* with the Board to discuss our findings.
- If necessary, we will engage in an iterative review process with the Board toward developing a financial plan most responsive to the needs of the Association.
- After preparing our full report, and if requested, we will meet* with the Board or Association members to explain our findings.

*Depending on schedule and availability, these meeting may be conducted by telephone or video conference.

3.3. SOURCES OF INFORMATION

- Property Manager-provided current Reserve Fund balance and ongoing rate of contribution
- Property Manager-provided list of Association maintenance responsibilities
- Property Manager-provided operations & maintenance history
- Limited community development drawings
- GoogleMap aerial photograph
- Interviews of the Property Manager

Criterion-Pfaff Engineers determines expected and remaining useful lives (EUL & RUL) of components and cost estimates for reserve expenditure budgets based on our evaluation of actual conditions and experience. In doing so, we also utilize these publications for guidance data:

- On-Line R S Means - Construction Cost Data
- Marshall & Swift Valuation Service – Costs Index & Life Expectancies
- Fannie Mae - Expected Useful Life Tables
- National Association of Home Builders - Life Expectancy of Components

4. PHYSICAL ANALYSIS

4.1. PROPERTY DESCRIPTION

The Association is a 56-unit residential community located in Coeur d'Alene, ID. The property was developed in 2008.

4.2. COMMON COMPONENTS

Please see detailed the Asset Inventory within Appendix A.

The Association has responsibility for maintenance of the asphalt parking lot and alleyway between Descartes and Cornwall, the garden boxes, irrigation for the Townhome's planter beds and trees, and common area sidewalks.

4.3. CONDITION ASSESSMENT

4.3.1 Site Improvements

The parking lot / alleyway asphalt is in fair to good condition. We recommend continuing crack sealing annually. Sealcoating was performed in 2024 and is planned for 2030 and every 6 years thereafter.

With good maintenance, residential paved roads have an expected useful life (EUL) of 35 years. We have anticipated the need for an asphalt overlay in 2045.

We have based our asphalt repair estimates on current local estimates and those published by RS Means. With asphalt pricing based on oil prices and extremely volatile, these estimates may vary widely from the actual cost at the time of the work.

The concrete curbs along the streets and the concrete sidewalks at the common areas are in good condition. Concrete flatwork has a published expected useful life (EUL) of 30 years, however, we believe in this area and this situation, the sidewalks and curbs can last indefinitely with regular maintenance. This places their replacement outside of the 30 year analysis. We have included an allowance to for spot repairs to any damaged concrete curbs and sidewalks in 2030 and every 10 years thereafter.

An allowance for major landscaping such as tree removal is planned for every 5 years to begin in 2027.

Other normal site maintenance will occur during the 30-year study period. This should be covered by annual operations & maintenance (O&M) funds.

4.4 Mechanical, Electrical & Plumbing Systems (MEP)

The common area irrigation system was not inspected. It is assumed to be generally maintained from the

operating budget. The controller has an expected life of 15 years and we have planned for its replacement in 2037.

4.5 Amenities

The garden boxes should be maintained and replaced as needed through the operations and maintenance budget. They have not been included in this study.

4.6. LIFE & VALUATION

4.6.1 Opinions of Useful Life

For components which require periodic reserve expenditures for their repairs or replacement, the frequency of work equals the typical, industry accepted expected useful life (EUL).

Simply put, the remaining useful life (RUL) of a component is equal to the difference between its EUL and its age:

- $RUL = EUL - Age$

However, the condition and rate of deterioration of actual site improvements and building elements rarely conform to such simple analysis. And, often, a property's history and available documentation does not provide any record of a particular component's actual age.

In our experience, the effective age and actual RUL of an installed item vary greatly from its actual age and calculated RUL. These variances depend on the quality of its original materials and workmanship, level of service, climatic exposure, and ongoing maintenance. As part of Criterium-Pfaff Engineer's work, we have developed an opinion of the effective age, EUL and RUL of each common component based on our evaluation of its existing condition and considering those factors.

In reality, repairs and replacements of some components are often spread over a number of years. This may be done because not all on-site installations of a particular type of component age or deteriorate at the same rate. Or, work may be scheduled in phases to limit disruption or ease cash flow.

In summary, we have based our opinion of the remaining service life and expected frequency and schedule of repair for each common component on some or all of the following:

- Actual or assumed age
- Observed existing condition
- Association's or Property Manager's maintenance history and plan
- Our experience with actual performance of such components under similar service and exposure
- Our experience managing the repairs and replacements of such components

We use the following documentation to guide our considerations:

- Fannie Mae - Expected Useful Life Tables
- National Association of Home Builders - Life Expectancy of Components
- Marshall & Swift Valuation Service - Expected Life Expectancies

4.6.2 Cost Estimating

In developing our estimate of reserve expenditure for most common components, we have estimated a quantity of each item and also a unit cost for its repair or replacement. In some cases, it is more appropriate to estimate a lump sum cost for a required work package.

Unless directed to take a different approach, we assume that contract labor will perform the work and apply appropriate installer's mark-ups on supplied material and equipment. When required, our estimated costs include demolition and disposal of existing materials, and protection of other portions of the property.

When appropriate for large projects, we will also include soft costs for design and project management, and typical general contractor's cost for general conditions, supervision, overhead and profit.

We have based our opinion of unit and lump sum costs on some or all of the following:

- Records of original construction cost
- Records of previous maintenance expenses
- Previously solicited Vendor quotations or Contractor proposals
- Budget estimates developed by others
- Our project files on repairs and replacements at other properties

We use the following publications to guide our considerations:

- On-Line R S Means - Construction Cost Data
- Marshall & Swift Valuation Service – Facility Cost Index

As agreed with the Board, annual aggregated reserve expenditure budgets have been calculated for all years during the study period by adjusting the annual tallies of current dollar cost estimates, and compounding for inflation at 3.00% per year.

Of course, it is impossible to accurately predict inflation fluctuation. Three percent is close to the average annual values of both consumer and construction cost increases since the US Bureau of Labor Statistics started publishing data approximately 85 years ago. Two percent has been the approximate average over the past few decades.

5. FINANCIAL ANALYSIS

Please refer to Appendix A which contains tables illustrating the findings following below.

5.1. RESERVE EXPENDITURE BUDGET PROJECTION

Based on our investigations and scheduling and estimating methodologies described in Section 4 of this report, we have projected a reserve expenditure budget schedule throughout the study period.

The 30-year total of all budget items is approximately \$525,899.54 in current dollars, or \$801,546.34 in future dollars after adjustment for 3.00% annual inflation.

See Current Reserve Items and Expenditure Planning tables in Appendix A for detailed planning notes on all reserve budgets.

Please note that we have assumed that the cost of minor repair & replacement work valued at less than \$5,000 will be covered by normal Operations & Maintenance budgets. Such “de minimis” expenses may be for one-time work on a single item, or aggregated repairs of a type of component over a year.

5.2. EVALUATION OF CURRENT FUNDING LEVEL

5.2.1 Association-Provided Information

The Board and Property Manager provided us with this starting data for our 30-Year cash flow projections:

Study Period Starting Date:	January 1, 2025 for Fiscal Year 2025
Estimated Starting Reserve Fund Balance:	\$21,000.00
Current Rate of Reserve Contribution:	\$5,000.00 Overall Annually
Planned Special Assessments	None
Planned Return on Investment:	1.00%
Planned Inflation Rate:	3.00%

Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

5.2.2 Current Funding Plan Projection

Our financial analysis indicates the Association’s current annual rate of contribution to its reserve fund, \$5,000.00, if carried forward unchanged, would prove insufficient to cover anticipated reserve expenditures.

5.3. Suggested Alternative Funding Strategies

For your consideration, Criterium-Pfaff Engineers has developed alternative funding plans which would result in prudent positive year-end balances throughout the planning period:

1.	This plan begins with 20.00% increase over the current rate of contribution starting in Year 2 (2026).
	The average contribution per Unit per month over 30 years would rise from \$7.44 to \$44.26.
2.	This plan begins with 340.00% increase over the current rate of contribution starting in Year 2 (2026).
	The average contribution per Unit per month over 30 years would rise from \$7.44 to \$65.48.

To provide opportunity to reconsider reserve expenditure requirements and funding strategies, Criterium-Pfaff Engineers concurs with the Community Association Institute (CAI) recommendations to periodically update reserve studies.

5.4. Funding Methodologies

The Community Association Institute (CAI) recognizes several reserve funding methodologies, all of which may be used to satisfy these principles:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

For this reserve study, Criterium has utilized a cash flow approach.

One strategy to ensure there will be sufficient funds available to cover unplanned emergencies is to maintain prudent minimum threshold reserve balances.

The alternative funding plans we developed should maintain positive reserve balances throughout the study which will not fall far below this suggested range of minimum threshold values.

For the planning needs of your association, we have recommended a cash-flow approach. This methodology is approved by CAI.

There are other ways of determining appropriate reserve funding levels. These are set forth in CAI's National Reserve Study Standard attached hereto in Appendix C.

6. STANDARDS AND LIMITATIONS

All of Criterium-Pfaff Engineers's work for this study has been carried out in strict accordance with the Codes of Ethics of the National Society of Professional Engineers (NSPE) and the Community Association Institute (CAI).

This information in this study is not to be considered a certification of condition, quality, compliance or cost. No warranty is implied.

Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

We are unaware of any other involvement or business relationship between Criterium-Pfaff Engineers and the Association, individual Owners, members of the Board, the Property Manager or other Vendors or Contractors that constitutes any conflict of interest.

The observations described in this study are valid on the dates of the investigation and have been made under the conditions noted in the report.

This study is limited to the visual observations made during our inspection. We did not undertake any excavation, conduct any destructive or invasive testing, remove surface materials or finishes, or displace furnishings or equipment. We did not perform any computations or other engineering analysis as part of this study, nor did we conduct a comprehensive code compliance investigation

Except as specifically noted, we did not observe or inspect the following areas and items:

- Buried foundations, utility services and infrastructure
- Building wall, floor and roof structural elements and members
- Attics and other concealed spaces.
- Unit Interiors and Owners' improvements
- Locked or inaccessible or confined spaces
- Concealed wiring, ducts and piping
- Interior of mechanical and electrical enclosures and equipment
- Systems and equipment which was not operating was not tested

In the absence of other information such as records from construction or previous inspections, or indirect evidence of concealed conditions, we cannot form any opinion on unobserved portions of the facility.

In some cases, we inspected only a representative sample of site improvements and building spaces, components, systems or equipment. We cannot be responsible for aberrations.

We did not undertake to completely assess the structural stability of the buildings or the underlying foundations and soils. Similarly, we performed no seismic assessment.

We did not undertake a comprehensive environmental assessment of the facility, nor perform any sampling or testing for hazardous materials.

Reserve budgets are opinions of cost based on rough estimates. We have not obtained competitive quotations or estimates from contractors. Actual costs can vary significantly, based on the proposed scope of work, availability of materials and qualified contractors, and many other variables. We cannot be responsible for variances.

Criterium-Pfaff Engineers prepared this report for the use of the Association. We do not intend any other

individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify and hold Criterium-Pfaff Engineers harmless for any damages, losses, or expenses they may incur as a result of its use.

Criterium-Pfaff Engineers does not offer financial counseling services. Although reasonable rates of inflation and return on investment must be assumed to calculate projected balances, no one can accurately predict actual economic performance. Reserve fund investments may be discussed during the course of the study. However, we do not purport to hold any special expertise and are not qualified to offer professional advice in this area.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair or replacement. The failure to include a component in a reserve study or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment you share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

7. CONCLUSION

To the best of our ability, we have attempted to work in the best interest of the Association and to aid the Board toward fulfillment of their fiduciary responsibilities. In our professional opinion, and within the limitations disclosed elsewhere herein, all information contained herein is reliable and appropriate to guide the Associations' deliberations and decision-making.

We recommend that the Association seek other appropriate professional guidance before finalizing their current reserve planning. Depending on issues which may arise, consultants who could aid the Association's decision-making might include a property manager, certified public accountant, financial counselor or attorney.

We consider our report confidential to the Board, and will not share its content with others except as may be required by law, and then only with the Board's knowledge.

Criterion-Pfaff Engineers is pleased to present this report for the Board's review. We appreciate this opportunity to assist the Board and Property Manager in support of the Association's facility and financial planning. Thank you.

Respectfully submitted

Criterion-Pfaff Engineers

Ken Pfaff P.E.

President

A handwritten signature in dark ink, appearing to read "Ken Pfaff", is written over a light blue rectangular background.

APPENDICES

FINANCIAL EXHIBITS

Reserve Study for Client:
Board of Directors

Property Manager:
[name]

Association Information, Agreed Planning Assumptions and Current Reserve Funding Data

Association Information:

Number of units	<i>1 total buildings</i>	56
Is this property mixed-use?	<i>Residential property</i>	Yes or No
Are all Units assessed at equal rates?		Yes or No
Fiscal year starts		January 1, 2025
Fiscal year is designated as		2025

Construction History:

Initial building construction or first Unit occupancy		2008
If building(s) had a prior use, the year of condo conversion	Not Applicable	---
If phased construction, the year the last Unit was completed	Not Applicable	---
Significant renovation	Not Applicable	---

Study Information & Planning Assumptions:

Study period, duration in years		30
Study period starts		January 1, 2025
Rate of return on investment % (ROI) applied to reserve fund balances		1.00%
Annual inflation rate (%) applied to future expenditure annual budgets		3.00%

Current Funding Levels:

Estimated starting reserve fund balance	\$21,000.00
Current monthly reserve contribution	\$416.67
Current overall annual reserve contribution	\$5,000.00
Monthly average reserve contribution per unit	\$7.44
Annual average reserve contribution per unit	\$89.29

Current Planned Special Assessments:

Dollars	Year

Asset Inventory and Current Reserve Item Determination

Grouped by Category

LOCATION NAME	NEXT REPL	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	CURRENT COST
Site							
Asphalt crackseal	06/01/2026	5y	1y 5m	1y 5m	\$1,030.00	1 Job	\$1,030.00
Asphalt parking lot and alley overlay	06/01/2045	37y	20y 5m	20y 5m	\$3.605	82,900 SF	\$298,854.50
Asphalt sealcoat	06/01/2030	6y	5y 5m	5y 5m	\$0.216	82,900 SF	\$17,906.40
Irrigation controller allowance	06/01/2037	16y	12y 5m	12y 5m	\$6,180.00	1 Allow	\$6,180.00
Major landscaping allowance	06/01/2027	6y	2y 5m	2y 5m	\$1,854.00	1 Allow	\$1,854.00
Sidewalk/curb repair allowance	06/01/2032	11y	7y 5m	7y 5m	\$4,120.00	1 Allow	\$4,120.00
							\$329,944.90

Current Reserve Items and Expenditure Planning

NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
Asphalt crackseal	06/01/2026	1y	5y	1y 5m	\$1,030.00	1 Job	\$1,030.00
Asphalt parking lot and alley overlay	06/01/2045	35y	37y	20y 5m	\$3.605	82,900 SF	\$298,854.50
Asphalt sealcoat	06/01/2030	6y	6y	5y 5m	\$0.216	82,900 SF	\$17,906.40
Irrigation controller allowance	06/01/2037	15y	16y	12y 5m	\$6,180.00	1 Allow	\$6,180.00
Major landscaping allowance	06/01/2027	5y	6y	2y 5m	\$1,854.00	1 Allow	\$1,854.00
Sidewalk/curb repair allowance	06/01/2032	10y	11y	7y 5m	\$4,120.00	1 Allow	\$4,120.00
							\$329,944.90

Annual Reserve Expenditure Budget Projection

Annual Expenditure Table 2025 to 2034

LOCATION RESERVE ITEM	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Site										
Asphalt crackseal		\$1,060.90	\$1,092.73	\$1,125.51	\$1,159.27	\$1,194.05	\$1,229.87	\$1,266.77	\$1,304.77	\$1,343.92
Asphalt sealcoat						\$20,725.00				
Major landscaping allowance			\$1,966.91					\$2,280.19		
Sidewalk/curb repair allowance								\$5,067.08		
Total Site		\$1,060.90	\$3,059.64	\$1,125.51	\$1,159.27	\$21,919.05	\$1,229.87	\$8,614.04	\$1,304.77	\$1,343.92
Total		\$1,060.90	\$3,059.64	\$1,125.51	\$1,159.27	\$21,919.05	\$1,229.87	\$8,614.04	\$1,304.77	\$1,343.92

Annual Reserve Expenditure Budget Projection

Annual Expenditure Table 2035 to 2044

LOCATION RESERVE ITEM	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Site										
Asphalt crackseal	\$1,384.23	\$1,425.76	\$1,468.53	\$1,512.59	\$1,557.97	\$1,604.71	\$1,652.85	\$1,702.43	\$1,753.51	\$1,806.11
Asphalt sealcoat		\$24,787.10						\$29,595.30		
Irrigation controller allowance			\$8,811.20							
Major landscaping allowance			\$2,643.36					\$3,064.38		
Sidewalk/curb repair allowance								\$6,809.73		
Total Site	\$1,384.23	\$26,212.86	\$12,923.09	\$1,512.59	\$1,557.97	\$1,604.71	\$1,652.85	\$41,171.84	\$1,753.51	\$1,806.11
Total	\$1,384.23	\$26,212.86	\$12,923.09	\$1,512.59	\$1,557.97	\$1,604.71	\$1,652.85	\$41,171.84	\$1,753.51	\$1,806.11

Annual Reserve Expenditure Budget Projection

Annual Expenditure Table 2045 to 2054

LOCATION RESERVE ITEM	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Site										
Asphalt crackseal	\$1,860.30	\$1,916.10	\$1,973.59	\$2,032.79	\$2,093.78	\$2,156.59	\$2,221.29	\$2,287.93	\$2,356.57	\$2,427.26
Asphalt parking lot and alley overlay	\$539,761.90									
Asphalt sealcoat				\$35,315.40						\$42,196.10
Irrigation controller allowance								\$13,727.57		
Major landscaping allowance			\$3,552.46					\$4,118.27		
Sidewalk/curb repair allowance								\$9,151.71		
Total Site	\$541,622.20	\$1,916.10	\$5,526.05	\$37,348.19	\$2,093.78	\$2,156.59	\$2,221.29	\$29,285.48	\$2,356.57	\$44,623.36
Total	\$541,622.20	\$1,916.10	\$5,526.05	\$37,348.19	\$2,093.78	\$2,156.59	\$2,221.29	\$29,285.48	\$2,356.57	\$44,623.36

Reserve Expenditure Budget Projection Summary

YEAR	FUTURE DOLLARS
2025	\$0.00
2026	\$1,060.90
2027	\$3,059.64
2028	\$1,125.51
2029	\$1,159.27
2030	\$21,919.05
2031	\$1,229.87
2032	\$8,614.04
2033	\$1,304.77
2034	\$1,343.92
2035	\$1,384.23
2036	\$26,212.86
2037	\$12,923.09
2038	\$1,512.59
2039	\$1,557.97
2040	\$1,604.71
2041	\$1,652.85
2042	\$41,171.84
2043	\$1,753.51
2044	\$1,806.11
2045	\$541,622.20
2046	\$1,916.10
2047	\$5,526.05
2048	\$37,348.19
2049	\$2,093.78
2050	\$2,156.59
2051	\$2,221.29
2052	\$29,285.48
2053	\$2,356.57
2054	\$44,623.36
Total Future Cost - With Inflation	\$801,546.34
Total Current Cost - No Inflation	\$525,899.54

Cash-Flow Projection at the Current Funding Level

Inflation: 3.00% | Investment: 1.00% | Calc: Inflation-Adjusted

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025	\$21,000.00	\$5,000.00	0.00%	\$210.00	\$0.00	\$0.00	\$0.00	\$26,210.00	16.13%	\$162,468.55
2026	\$26,210.00	\$5,000.00	0.00%	\$262.10	\$0.00	\$0.00	\$1,060.90	\$30,411.20	16.88%	\$180,212.75
2027	\$30,411.20	\$5,000.00	0.00%	\$304.11	\$0.00	\$0.00	\$3,059.64	\$32,655.67	16.58%	\$196,916.99
2028	\$32,655.67	\$5,000.00	0.00%	\$326.56	\$0.00	\$0.00	\$1,125.51	\$36,856.72	17.02%	\$216,547.99
2029	\$36,856.72	\$5,000.00	0.00%	\$368.57	\$0.00	\$0.00	\$1,159.27	\$41,066.02	17.31%	\$237,179.62
2030	\$41,066.02	\$5,000.00	0.00%	\$410.66	\$0.00	\$0.00	\$21,919.05	\$24,557.63	10.34%	\$237,473.08
2031	\$24,557.63	\$5,000.00	0.00%	\$245.58	\$0.00	\$0.00	\$1,229.87	\$28,573.34	11.01%	\$259,593.32
2032	\$28,573.34	\$5,000.00	0.00%	\$285.73	\$0.00	\$0.00	\$8,614.04	\$25,245.03	9.17%	\$275,306.78
2033	\$25,245.03	\$5,000.00	0.00%	\$252.45	\$0.00	\$0.00	\$1,304.77	\$29,192.71	9.75%	\$299,524.14
2034	\$29,192.71	\$5,000.00	0.00%	\$291.93	\$0.00	\$0.00	\$1,343.92	\$33,140.72	10.20%	\$324,946.76
2035	\$33,140.72	\$5,000.00	0.00%	\$331.41	\$0.00	\$0.00	\$1,384.23	\$37,087.90	10.55%	\$351,625.20
2036	\$37,087.90	\$5,000.00	0.00%	\$370.88	\$0.00	\$0.00	\$26,212.86	\$16,245.92	4.59%	\$354,081.59
2037	\$16,245.92	\$5,000.00	0.00%	\$162.46	\$0.00	\$0.00	\$12,923.09	\$8,485.29	2.29%	\$370,904.71
2038	\$8,485.29	\$5,000.00	0.00%	\$84.85	\$0.00	\$0.00	\$1,512.59	\$12,057.55	3.01%	\$400,570.69
2039	\$12,057.55	\$5,000.00	0.00%	\$120.58	\$0.00	\$0.00	\$1,557.97	\$15,620.16	3.62%	\$431,682.79
2040	\$15,620.16	\$5,000.00	0.00%	\$156.20	\$0.00	\$0.00	\$1,604.71	\$19,171.65	4.13%	\$464,301.12
2041	\$19,171.65	\$5,000.00	0.00%	\$191.72	\$0.00	\$0.00	\$1,652.85	\$22,710.52	4.56%	\$498,488.02

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2042	\$22,710.52	\$5,000.00	0.00%	\$227.11	\$0.00	\$0.00	\$41,171.84	(\$13,234.21)	0.00%	\$493,653.50
2043	(\$13,234.21)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$1,753.51	(\$9,987.72)	0.00%	\$529,954.68
2044	(\$9,987.72)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$1,806.11	(\$6,793.83)	0.00%	\$567,989.65
2045	(\$6,793.83)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$541,622.20	(\$543,416.03)	0.00%	\$52,730.97
2046	(\$543,416.03)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$1,916.10	(\$540,332.13)	0.00%	\$78,681.73
2047	(\$540,332.13)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$5,526.05	(\$540,858.18)	0.00%	\$102,483.02
2048	(\$540,858.18)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$37,348.19	(\$573,206.37)	0.00%	\$95,010.37
2049	(\$573,206.37)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$2,093.78	(\$570,300.15)	0.00%	\$124,489.14
2050	(\$570,300.15)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$2,156.59	(\$567,456.74)	0.00%	\$155,651.11
2051	(\$567,456.74)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$2,221.29	(\$564,678.03)	0.00%	\$188,570.78
2052	(\$564,678.03)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$29,285.48	(\$588,963.51)	0.00%	\$195,518.07
2053	(\$588,963.51)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$2,356.57	(\$586,320.08)	0.00%	\$231,354.16
2054	(\$586,320.08)	\$5,000.00	0.00%	\$0.00	\$0.00	\$0.00	\$44,623.36	(\$625,943.44)	0.00%	\$225,700.94

Alternative Funding Alternative 2

Inflation: 3.00% | Investment: 1.00% | Calc: Inflation-Adjusted

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025	\$21,000.00	\$5,000.00	0.00%	\$210.00	\$0.00	\$0.00	\$0.00	\$26,210.00	16.13%	\$162,468.55
2026	\$26,210.00	\$6,000.00	20.00%	\$262.10	\$0.00	\$0.00	\$1,060.90	\$31,411.20	17.43%	\$180,212.75
2027	\$31,411.20	\$7,200.00	20.00%	\$314.11	\$0.00	\$0.00	\$3,059.64	\$35,865.67	18.21%	\$196,916.99
2028	\$35,865.67	\$8,640.00	20.00%	\$358.66	\$0.00	\$0.00	\$1,125.51	\$43,738.82	20.20%	\$216,547.99
2029	\$43,738.82	\$10,368.00	20.00%	\$437.39	\$0.00	\$0.00	\$1,159.27	\$53,384.94	22.51%	\$237,179.62
2030	\$53,384.94	\$12,441.60	20.00%	\$533.85	\$0.00	\$0.00	\$21,919.05	\$44,441.34	18.71%	\$237,473.08
2031	\$44,441.34	\$14,929.92	20.00%	\$444.41	\$0.00	\$0.00	\$1,229.87	\$58,585.80	22.57%	\$259,593.32
2032	\$58,585.80	\$17,915.90	20.00%	\$585.86	\$0.00	\$0.00	\$8,614.04	\$68,473.52	24.87%	\$275,306.78
2033	\$68,473.52	\$21,499.08	20.00%	\$684.74	\$0.00	\$0.00	\$1,304.77	\$89,352.57	29.83%	\$299,524.14
2034	\$89,352.57	\$25,798.90	20.00%	\$893.53	\$0.00	\$0.00	\$1,343.92	\$114,701.08	35.30%	\$324,946.76
2035	\$114,701.08	\$30,958.68	20.00%	\$1,147.01	\$0.00	\$0.00	\$1,384.23	\$145,422.54	41.36%	\$351,625.20
2036	\$145,422.54	\$37,150.42	20.00%	\$1,454.23	\$0.00	\$0.00	\$26,212.86	\$157,814.33	44.57%	\$354,081.59
2037	\$157,814.33	\$44,580.50	20.00%	\$1,578.14	\$0.00	\$0.00	\$12,923.09	\$191,049.88	51.51%	\$370,904.71
2038	\$191,049.88	\$53,496.60	20.00%	\$1,910.50	\$0.00	\$0.00	\$1,512.59	\$244,944.39	61.15%	\$400,570.69
2039	\$244,944.39	\$64,195.92	20.00%	\$2,449.44	\$0.00	\$0.00	\$1,557.97	\$310,031.78	71.82%	\$431,682.79
2040	\$310,031.78	\$60,986.12	-5.00%	\$3,100.32	\$0.00	\$0.00	\$1,604.71	\$372,513.51	80.23%	\$464,301.12
2041	\$372,513.51	\$57,936.81	-5.00%	\$3,725.14	\$0.00	\$0.00	\$1,652.85	\$432,522.61	86.77%	\$498,488.02

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2042	\$432,522.61	\$55,039.97	-5.00%	\$4,325.23	\$0.00	\$0.00	\$41,171.84	\$450,715.97	91.30%	\$493,653.50
2043	\$450,715.97	\$52,287.97	-5.00%	\$4,507.16	\$0.00	\$0.00	\$1,753.51	\$505,757.59	95.43%	\$529,954.68
2044	\$505,757.59	\$49,673.57	-5.00%	\$5,057.58	\$0.00	\$0.00	\$1,806.11	\$558,682.63	98.36%	\$567,989.65
2045	\$558,682.63	\$47,189.89	-5.00%	\$5,586.83	\$0.00	\$0.00	\$541,622.20	\$69,837.15	132.44%	\$52,730.97
2046	\$69,837.15	\$44,830.40	-5.00%	\$698.37	\$0.00	\$0.00	\$1,916.10	\$113,449.82	144.19%	\$78,681.73
2047	\$113,449.82	\$42,588.88	-5.00%	\$1,134.50	\$0.00	\$0.00	\$5,526.05	\$151,647.15	147.97%	\$102,483.02
2048	\$151,647.15	\$40,459.44	-5.00%	\$1,516.47	\$0.00	\$0.00	\$37,348.19	\$156,274.87	164.48%	\$95,010.37
2049	\$156,274.87	\$38,436.47	-5.00%	\$1,562.75	\$0.00	\$0.00	\$2,093.78	\$194,180.31	155.98%	\$124,489.14
2050	\$194,180.31	\$36,514.65	-5.00%	\$1,941.80	\$0.00	\$0.00	\$2,156.59	\$230,480.17	148.07%	\$155,651.11
2051	\$230,480.17	\$34,688.92	-5.00%	\$2,304.80	\$0.00	\$0.00	\$2,221.29	\$265,252.60	140.66%	\$188,570.78
2052	\$265,252.60	\$32,954.47	-5.00%	\$2,652.53	\$0.00	\$0.00	\$29,285.48	\$271,574.12	138.90%	\$195,518.07
2053	\$271,574.12	\$31,306.75	-5.00%	\$2,715.74	\$0.00	\$0.00	\$2,356.57	\$303,240.04	131.07%	\$231,354.16
2054	\$303,240.04	\$29,741.41	-5.00%	\$3,032.40	\$0.00	\$0.00	\$44,623.36	\$291,390.49	129.10%	\$225,700.94

Alternative Funding Alternative 3

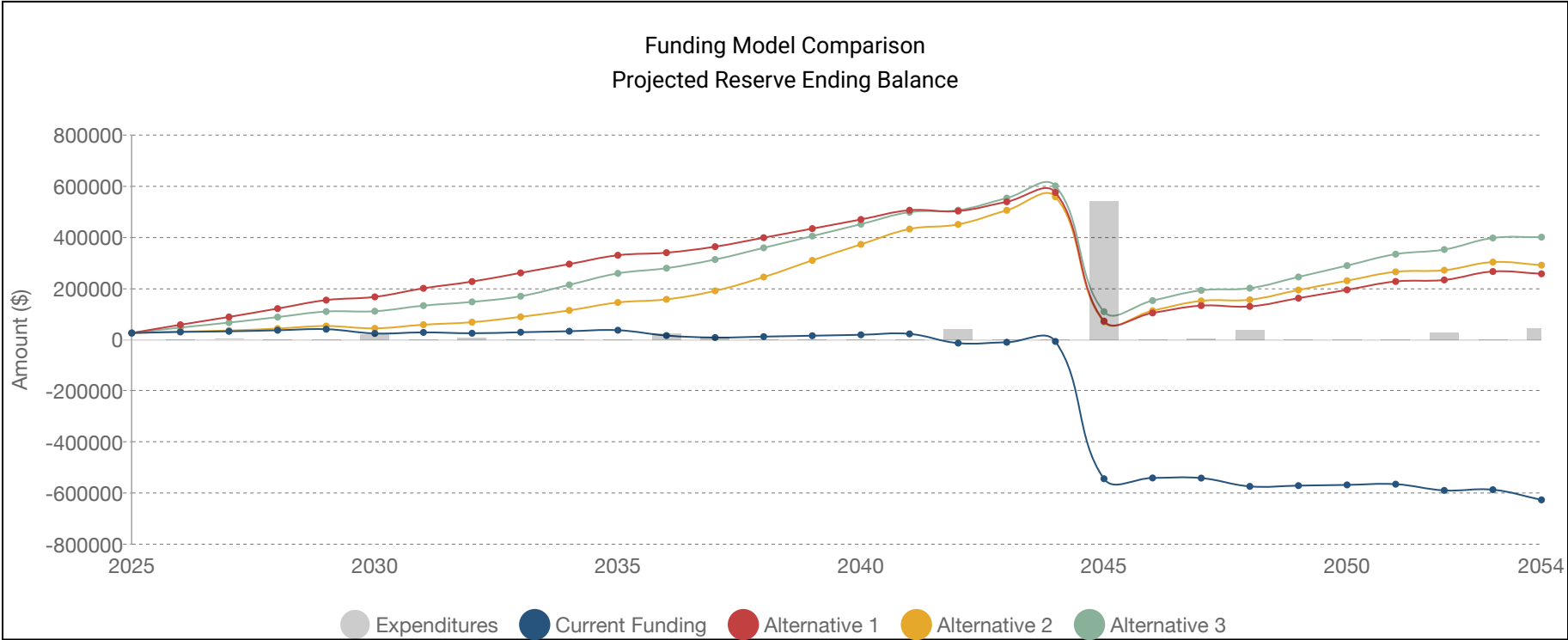
Inflation: 3.00% | Investment: 1.00% | Calc: Inflation-Adjusted

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025	\$21,000.00	\$5,000.00	0.00%	\$210.00	\$0.00	\$0.00	\$0.00	\$26,210.00	16.13%	\$162,468.55
2026	\$26,210.00	\$22,000.00	340.00%	\$262.10	\$0.00	\$0.00	\$1,060.90	\$47,411.20	26.31%	\$180,212.75
2027	\$47,411.20	\$22,000.00	0.00%	\$474.11	\$0.00	\$0.00	\$3,059.64	\$66,825.67	33.94%	\$196,916.99
2028	\$66,825.67	\$22,000.00	0.00%	\$668.26	\$0.00	\$0.00	\$1,125.51	\$88,368.42	40.81%	\$216,547.99
2029	\$88,368.42	\$22,000.00	0.00%	\$883.68	\$0.00	\$0.00	\$1,159.27	\$110,092.83	46.42%	\$237,179.62
2030	\$110,092.83	\$22,000.00	0.00%	\$1,100.93	\$0.00	\$0.00	\$21,919.05	\$111,274.71	46.86%	\$237,473.08
2031	\$111,274.71	\$22,000.00	0.00%	\$1,112.75	\$0.00	\$0.00	\$1,229.87	\$133,157.59	51.29%	\$259,593.32
2032	\$133,157.59	\$22,000.00	0.00%	\$1,331.58	\$0.00	\$0.00	\$8,614.04	\$147,875.13	53.71%	\$275,306.78
2033	\$147,875.13	\$22,000.00	0.00%	\$1,478.75	\$0.00	\$0.00	\$1,304.77	\$170,049.11	56.77%	\$299,524.14
2034	\$170,049.11	\$44,000.00	100.00%	\$1,700.49	\$0.00	\$0.00	\$1,343.92	\$214,405.68	65.98%	\$324,946.76
2035	\$214,405.68	\$44,000.00	0.00%	\$2,144.06	\$0.00	\$0.00	\$1,384.23	\$259,165.51	73.71%	\$351,625.20
2036	\$259,165.51	\$44,000.00	0.00%	\$2,591.66	\$0.00	\$0.00	\$26,212.86	\$279,544.31	78.95%	\$354,081.59
2037	\$279,544.31	\$44,000.00	0.00%	\$2,795.44	\$0.00	\$0.00	\$12,923.09	\$313,416.66	84.50%	\$370,904.71
2038	\$313,416.66	\$44,000.00	0.00%	\$3,134.17	\$0.00	\$0.00	\$1,512.59	\$359,038.24	89.63%	\$400,570.69
2039	\$359,038.24	\$44,000.00	0.00%	\$3,590.38	\$0.00	\$0.00	\$1,557.97	\$405,070.65	93.84%	\$431,682.79
2040	\$405,070.65	\$44,000.00	0.00%	\$4,050.71	\$0.00	\$0.00	\$1,604.71	\$451,516.65	97.25%	\$464,301.12
2041	\$451,516.65	\$44,000.00	0.00%	\$4,515.17	\$0.00	\$0.00	\$1,652.85	\$498,378.97	99.98%	\$498,488.02

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2042	\$498,378.97	\$44,000.00	0.00%	\$4,983.79	\$0.00	\$0.00	\$41,171.84	\$506,190.92	102.54%	\$493,653.50
2043	\$506,190.92	\$44,000.00	0.00%	\$5,061.91	\$0.00	\$0.00	\$1,753.51	\$553,499.32	104.44%	\$529,954.68
2044	\$553,499.32	\$44,000.00	0.00%	\$5,534.99	\$0.00	\$0.00	\$1,806.11	\$601,228.20	105.85%	\$567,989.65
2045	\$601,228.20	\$44,000.00	0.00%	\$6,012.28	\$0.00	\$0.00	\$541,622.20	\$109,618.28	207.88%	\$52,730.97
2046	\$109,618.28	\$44,000.00	0.00%	\$1,096.18	\$0.00	\$0.00	\$1,916.10	\$152,798.36	194.20%	\$78,681.73
2047	\$152,798.36	\$44,000.00	0.00%	\$1,527.98	\$0.00	\$0.00	\$5,526.05	\$192,800.29	188.13%	\$102,483.02
2048	\$192,800.29	\$44,000.00	0.00%	\$1,928.00	\$0.00	\$0.00	\$37,348.19	\$201,380.10	211.96%	\$95,010.37
2049	\$201,380.10	\$44,000.00	0.00%	\$2,013.80	\$0.00	\$0.00	\$2,093.78	\$245,300.12	197.05%	\$124,489.14
2050	\$245,300.12	\$44,000.00	0.00%	\$2,453.00	\$0.00	\$0.00	\$2,156.59	\$289,596.53	186.05%	\$155,651.11
2051	\$289,596.53	\$44,000.00	0.00%	\$2,895.97	\$0.00	\$0.00	\$2,221.29	\$334,271.21	177.27%	\$188,570.78
2052	\$334,271.21	\$44,000.00	0.00%	\$3,342.71	\$0.00	\$0.00	\$29,285.48	\$352,328.44	180.20%	\$195,518.07
2053	\$352,328.44	\$44,000.00	0.00%	\$3,523.28	\$0.00	\$0.00	\$2,356.57	\$397,495.15	171.81%	\$231,354.16
2054	\$397,495.15	\$44,000.00	0.00%	\$3,974.95	\$0.00	\$0.00	\$44,623.36	\$400,846.74	177.60%	\$225,700.94

30-Year Cash-Flow Projections - Summary Graph

Year No.	Fiscal Year	Projected Capital Expenditures	Year-End Reserve Fund Balances			
			Alternative 1	Current Funding	Alternative 2	Alternative 3
1	2025	\$0.00	\$26,210.00	\$26,210.00	\$26,210.00	\$26,210.00
2	2026	\$1,060.90	\$58,411.20	\$30,411.20	\$31,411.20	\$47,411.20
3	2027	\$3,059.64	\$88,935.67	\$32,655.67	\$35,865.67	\$66,825.67
4	2028	\$1,125.51	\$121,699.52	\$36,856.72	\$43,738.82	\$88,368.42
5	2029	\$1,159.27	\$154,757.25	\$41,066.02	\$53,384.94	\$110,092.83
6	2030	\$21,919.05	\$167,385.77	\$24,557.63	\$44,441.34	\$111,274.71
7	2031	\$1,229.87	\$200,829.76	\$28,573.34	\$58,585.80	\$133,157.59
8	2032	\$8,614.04	\$227,224.02	\$25,245.03	\$68,473.52	\$147,875.13
9	2033	\$1,304.77	\$261,191.49	\$29,192.71	\$89,352.57	\$170,049.11
10	2034	\$1,343.92	\$295,459.48	\$33,140.72	\$114,701.08	\$214,405.68
11	2035	\$1,384.23	\$330,029.84	\$37,087.90	\$145,422.54	\$259,165.51
12	2036	\$26,212.86	\$340,117.28	\$16,245.92	\$157,814.33	\$279,544.31
13	2037	\$12,923.09	\$363,595.36	\$8,485.29	\$191,049.88	\$313,416.66
14	2038	\$1,512.59	\$398,718.72	\$12,057.55	\$244,944.39	\$359,038.24
15	2039	\$1,557.97	\$434,147.94	\$15,620.16	\$310,031.78	\$405,070.65
16	2040	\$1,604.71	\$469,884.71	\$19,171.65	\$372,513.51	\$451,516.65
17	2041	\$1,652.85	\$505,930.71	\$22,710.52	\$432,522.61	\$498,378.97
18	2042	\$41,171.84	\$502,818.18	(\$13,234.21)	\$450,715.97	\$506,190.92
19	2043	\$1,753.51	\$539,092.85	(\$9,987.72)	\$505,757.59	\$553,499.32
20	2044	\$1,806.11	\$575,677.67	(\$6,793.83)	\$558,682.63	\$601,228.20
21	2045	\$541,622.20	\$72,812.25	(\$543,416.03)	\$69,837.15	\$109,618.28
22	2046	\$1,916.10	\$104,624.27	(\$540,332.13)	\$113,449.82	\$152,798.36
23	2047	\$5,526.05	\$133,144.46	(\$540,858.18)	\$151,647.15	\$192,800.29
24	2048	\$37,348.19	\$130,127.71	(\$573,206.37)	\$156,274.87	\$201,380.10
25	2049	\$2,093.78	\$162,335.21	(\$570,300.15)	\$194,180.31	\$245,300.12
26	2050	\$2,156.59	\$194,801.97	(\$567,456.74)	\$230,480.17	\$289,596.53
27	2051	\$2,221.29	\$227,528.70	(\$564,678.03)	\$265,252.60	\$334,271.21
28	2052	\$29,285.48	\$233,518.51	(\$588,963.51)	\$271,574.12	\$352,328.44
29	2053	\$2,356.57	\$266,497.13	(\$586,320.08)	\$303,240.04	\$397,495.15
30	2054	\$44,623.36	\$257,538.74	(\$625,943.44)	\$291,390.49	\$400,846.74



The chart above compares the projected annual reserve fund ending balances for the three funding plans (Current Funding Assessment Funding, Alternative Alternative 1 and Alternative Alternative 2) over the 30 year period.

Future opportunity to reduce rate of contribution to reserves after key projects are complete. Consider during Reserve Study Update.

Component List - Full Detail

Asphalt crackseal

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Site
Category:	
Condition:	Good

Useful Life

Last Activity Date:	06/01/2021
Est. Useful Life:	1y
Remaining Useful Life:	1y 5m
Next Activity Date:	06/01/2026

Financial Data

Estimate Date:	07/29/2024
Estimate Source:	Engineer's estimate
Cost Per Job:	\$1,000.00
Total Quantity:	1 Job
Total Current Cost:	\$1,030.00
Inflation Rate:	3.00%
Total Expenditures:	\$47,972.68

Asphalt parking lot and alley overlay

Basic Info

Type of Cost:	Replacement
Location:	Site
Category:	
Condition:	Good

Useful Life

Last Activity Date:	06/01/2008
Est. Useful Life:	35y
Remaining Useful Life:	20y 5m
Next Activity Date:	06/01/2045

Financial Data

Estimate Date:	06/20/2024
Estimate Source:	Shamrock
Cost Per SF:	\$3.50
Total Quantity:	82,900 SF
Total Current Cost:	\$298,854.50
Inflation Rate:	3.00%
Total Expenditures:	\$539,761.90



Asphalt sealcoat

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Site
Category:	
Condition:	Good

Useful Life

Last Activity Date:	06/01/2024
Est. Useful Life:	6y
Remaining Useful Life:	5y 5m
Next Activity Date:	06/01/2030

Financial Data

Estimate Date:	06/22/2024
Estimate Source:	Arrow
Cost Per SF:	\$0.21
Total Quantity:	82,900 SF
Total Current Cost:	\$17,906.40
Inflation Rate:	3.00%
Total Expenditures:	\$152,618.90



Irrigation controller allowance

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Site
Category:	
Condition:	Good

Useful Life

Last Activity Date:	06/01/2021
Est. Useful Life:	15y
Remaining Useful Life:	12y 5m
Next Activity Date:	06/01/2037

Financial Data

Estimate Date:	07/22/2024
Estimate Source:	Internet search
Cost Per Allow:	\$6,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$6,180.00
Inflation Rate:	3.00%
Total Expenditures:	\$22,538.77

Major landscaping allowance

Basic Info

Type of Cost:	Replacement
Location:	Site
Category:	
Condition:	Good

Useful Life

Last Activity Date:	06/01/2021
Est. Useful Life:	5y
Remaining Useful Life:	2y 5m
Next Activity Date:	06/01/2027

Financial Data

Estimate Date:	07/29/2024
Estimate Source:	Engineer's estimate
Cost Per Allow:	\$1,800.00
Total Quantity:	1 Allow
Total Current Cost:	\$1,854.00
Inflation Rate:	3.00%
Total Expenditures:	\$17,625.57

Sidewalk/curb repair allowance

Basic Info

Type of Cost: Repairs & Maintenance
Location: Site
Category:
Condition: Good

Useful Life

Last Activity Date: 06/01/2021
Est. Useful Life: 10y
Remaining Useful Life: 7y 5m
Next Activity Date: 06/01/2032

Financial Data

Estimate Date: 07/22/2024
Estimate Source: Engineer's estimate
Cost Per Allow: \$4,000.00
Total Quantity: 1 Allow
Total Current Cost: \$4,120.00
Inflation Rate: 3.00%
Total Expenditures: \$21,028.52

REFERENCE DOCUMENTS

NATIONAL RESERVE STUDY STANDARDS

General Information About Reserve Studies

One of the primary responsibilities of the board of directors of a community association is to protect, maintain, and enhance the assets of the association. To accomplish this objective, associations must develop multi-year plans to help them anticipate and responsibly prepare for the timely repair and replacement of common area components such as roofs, roads, mechanical equipment, and other portions of the community's common elements.

Originally published in 1998, the National Reserve Study Standards provide a consistent set of terminology, calculations, and expectations so reserve study providers and those they serve together can build a successful future for millions of community association homeowners across the country.

A reserve study is made up of two parts, the **physical analysis** and the **financial analysis**. The physical analysis includes the component inventory, condition assessment, and life and valuation estimates. The component inventory should be relatively stable from year to year, while the condition assessment and life and valuation estimate change from year to year.

The financial analysis is made up of an analysis of the client's current reserve fund status (measured in cash or as percent funded) and a recommendation for an appropriate reserve contribution rate (a funding plan).

Physical analysis

- Component inventory
- Condition assessment
- Life and valuation estimates

Financial analysis

- Fund Status
- Funding Plan

Levels of Service

The following three categories describe the various types of reserve studies, from exhaustive to minimal.

I. Full.

A reserve study in which the following five reserve study tasks are performed:

- Component inventory
- Condition assessment (based upon on-site visual observations)
- Life and valuation estimates
- Fund Status
- Funding Plan

II. Update, With Site Visit/On-Site Review.

A reserve study update in which the following five reserve study tasks are performed:

- Component inventory (verification only, not quantification)
- Condition assessment (based upon on-site visual observations)
- Life and valuation estimates
- Fund Status
- Funding Plan

III. Update, No-Site-Visit/Off Site Review.

A reserve study update with no on-site visual observations in which the following three reserve study tasks are performed:

- Life and valuation estimates
- Fund Status
- Funding Plan

IV. Preliminary, Community Not Yet Constructed.

A reserve study prepared before construction that is generally used for budget estimates. It is based on design documents such as the architectural and engineering plans. The following three tasks are performed to prepare this type of study.

- Component inventory
- Life and valuation estimates
- Funding Plan

TERMS AND DEFINITIONS

CAPITAL IMPROVEMENTS: Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.

CASH FLOW METHOD: A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

COMPONENT: The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.

COMPONENT INVENTORY: The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

COMPONENT METHOD: A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

EFFECTIVE AGE: The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a reserve study where the current status of the reserves (measured as cash or per- cent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

FULLY FUNDED BALANCE (FFB): An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age/Useful Life}$$

Example: For a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be \$4,000.

FUND STATUS: The status of the reserve fund reported in terms of cash or percent funded.

FUNDING GOALS: Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems,

special assessments, and deferred maintenance.

Baseline Funding: Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

Threshold Funding: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “Fully Funded” with respective higher risk or less risk of cash problems.

Full Funding: Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN: An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

FUNDING PRINCIPLES: The reserve provider must provide a funding plan addressing these principles.

- Sufficient funds when required
- Stable contribution rate over the years
- Equitable contribution rate over the years
- Fiscally responsible

LIFE AND VALUATION ESTIMATES: The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.

PERCENT FUNDED: The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association’s reserve fund size, it should be viewed in the context of how it is changing due to the association’s reserve funding plan in light of the association’s risk tolerance.

PHYSICAL ANALYSIS: The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

REMAINING USEFUL LIFE (RUL): Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.

REPLACEMENT COST: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).

RESERVE BALANCE: Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE PROVIDER: An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

RESERVE PROVIDER FIRM: A company that prepares reserve studies as one of its primary business activities.

RESERVE STUDY: A budget planning tool which identifies the components that the association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The reserve study consists of two parts: the physical analysis and the financial analysis.

RESPONSIBLE CHARGE: A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal

SPECIAL ASSESSMENT: A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

USEFUL LIFE (UL): The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Reserve Study Contents

The following is a list of the minimum contents to be included in the Reserve Study.

1. A summary of the association's number of units, physical description and reserve fund financial condition.
2. A projection of reserve starting balance, recommended reserve contributions, projected reserve expenses, and projected ending reserve fund balance for a minimum of 20 years.
3. A tabular listing of the component inventory, component quantity or identifying descriptions, useful life, remaining useful life and current replacement cost.
4. A description of methods and objectives utilized in computing the Fund Status and development of the Funding Plan.
5. Source(s) utilized to obtain component repair or replacement cost estimates.
6. A description of the level of service by which the Reserve Study was prepared.
7. Fiscal year for which the Reserve Study is prepared.

Disclosures

The following are the minimum disclosures to be included in the Reserve Study:

1. **General:** Description of the other involvement(s) with the association, which could result in actual or perceived conflicts of interest.
2. **Physical Analysis:** Description of how thorough the on-site observations were performed: representative samplings vs, all common areas, destructive testing or not, field measurements drawing take-offs, etc.
3. **Financial Analysis:** Description of assumptions utilized for interest and inflation, tax and other outside factors.
4. **Personnel Credentials:** State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.
5. **Update Reports:** Disclosure of how the current work is reliant on the validity of prior Reserve Studies.
6. **Completeness:** Material issues which, if not disclosed, would cause a distortion of the association's situation.
7. **Reliance on Client Data:** Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.
8. **Reserve Balance:** The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.
9. **Component Quantities:** For update with site visit and update no site visit levels of service, the client is considered to have deemed previously developed component quantities as accurate and reliable.
10. **Reserve Projects:** Information provided about reserve projects will be considered Any on-site inspection should not be considered a project audit or quality inspection.

PROJECT TEAM QUALIFICATIONS

KENNETH A. PFAFF, P.E.

Areas of Expertise

Mr. Pfaff is the owner and president of Criterium-Pfaff Engineers and is responsible for all aspects of the firm's engineering projects. The firm specializes in residential and commercial building investigations, environmental site assessments, construction monitoring, and reserve studies. The firm has performed a wide range of projects for a diverse clientele. These include condition assessments for multistory office buildings, apartment complexes, lakeside resorts, restaurants, historic buildings, storage facilities and residences. Environmental assessments have been performed for sites such as retail stores, marinas, walking trails, office buildings and undeveloped properties. We have performed many specialty investigations including structural, drainage, and roof leak investigations. Clients include business owners/investors, facility managers, property managers, insurance companies, lenders, and individuals who require professional engineering services.

Qualifications

Mr. Pfaff is a licensed professional engineer with over 30 years of engineering experience. As the owner and principal engineer of Criterium-Pfaff Engineers, he has full responsibility for all aspects of a consulting office. He has performed hundreds of building and property investigations and is a licensed Home Inspector in Washington.

As Director of Engineering for an international engineering firm, Mr. Pfaff held full responsibility and accountability for a multi-disciplined engineering department with a staff of 48 including structural, mechanical, electrical, civil, and control engineers. Mr. Pfaff has diverse experience travelling, negotiating, and assisting with clients in a variety of countries. As a project manager, Mr. Pfaff managed design, manufacturing, site construction and commissioning of large multinational mining and construction projects. As a project engineer, Mr. Pfaff led engineering teams in the design and construction of large automated construction and mining equipment. He has performed structural and mechanical analysis, reviewed local codes and standards, budgets and schedules.

Education and Affiliations

B.S., Agricultural Engineering, Washington State University, 1983

Licensed Professional Engineer in Washington (#31409) and Idaho (#10954)

Member, National Society of Professional Engineers (NSPE)

Member, National Academy of Building Inspection Engineers (NABIE)

Kendal Noller, P.E.

Profile

Experienced and accomplished Engineer with over nineteen years of experience looking to leverage my education and construction background with Criterium Engineers.

Experience

Owner, Benchmark Construction — 2007-2016, 2018- Present

Estimating, designing and completing a broad range of remodeling projects. Duties include customer relations, problem solving, marketing, bookkeeping and code compliance.

Senior Manager, Moss Adams LLP — 2001-2007, 2016-2018

Completed a wide variety of cost segregation projects (a specialized tax service involving accelerated depreciation), across the United States: auto dealerships, banks, fast food, manufacturing, office buildings, etc. Progressed from position of Manager to Senior Manager. Published in a national accounting journal.

Rehab Project Manager, Kiemle & Hagood Company / CMA — 1999-2001

Met with homeowners, wrote up bid packages, awarded bids, managed up to 20 simultaneous projects (\$15-25K each on average), wrote general project specifications, and developed Excel sheets to facilitate ease of project management.

Project Manager, Brentwood Builders, Inc. — 1996-1999

Served as project manager for the construction of more than twelve buildings in the greater Dayton, OH area. Projects ranged from \$100K residential new construction to \$600K commercial additions. Both construction management and general contract formats were used. Responsible for all phases: costing, planning, scheduling, issuing contracts, customer relations, problem solving / conflict resolution, quality control and code compliance.

Education

Cedarville University, Cedarville, OH — BS, Mechanical Engineering 1990-1994

Certification

PE in Mechanical Engineering, State of Ohio, License 68824

References

See Attached