

Snowbridge Square Condominium Assoc.

.... Treasurer's Report – (2016) January 7, 2017

Jon Faue

There are two budgets to consider, the operating budget and the reserve budget. The operating budget is concerned with day to day expenses and repairs. The reserve budget and associated funds are to be used for the large expensive repairs and improvements.

Summary of 2016:

2016 Operating Budget:

Total expenses were \$286,659 (2015= \$270,052 2014= \$289,556 2013=\$277,445)

Total income (mainly dues) was \$299,448.

2016 Expenditures by type: for example purposes

Building Repair & Maintenance	18.2%
Contract Expense	18.5%
Insurance	10.1%
Professional Fees	2.3%
Supplies	1.3%
Utilities	45.7%
Dues (to Copper assoc.)	1.1%
Not allocated to Employee Units	0.5%

'Utilities' includes gas, water, electric, and snow removal.

The operating budget had a surplus of \$13.8K, almost exclusively because natural gas remained cheap.

For 2017 we are predicting natural gas to remain cheap. Claire also negotiated a huge savings in the insurance rates. However, we are facing significant increases in the water rates (letter attached). For that reason, the 2017 operating budget is the same amount, but the detail amounts have been adjusted to account for gas, insurance, water, etc.

2016 Reserve Budget:

As discussed a year ago, the stairwells were going to be an issue for 2016, at least a couple years ahead of when we had planned. At first we thought only the Salsa

stairs were an immediate 2016 issue, but the county forced us to address parts of all four stairwells immediately. This included a major expense of designing, planning, and getting bids on enclosing at least two of the stairwells. Of course, at \$400K/stairwell this proved to be cost-prohibitive. As it stands now, all four stairwells have had their concrete patched and sealed. These repairs were cosmetic in nature (per engineers report). Two stairwells (center and Salsa) have had the steel railing connects reinforced making failure almost impossible. For 2017 the remaining two need this reinforcing done. Also for 2017, it looks like an issue with the garage drains needs to be addressed. At this point, the entire building has 'new' roofs, so further roofing costs should be delayed until at least 10years when the employee side might be due again.

A 2017/2018/2019 reserve plan is attached. If we stay close to that, our reserve balance should be up to about \$182K by the end of 2019. For 2017 an increase in reserve dues of 20% was passed. This plan assumes reserve dues stay level for 2017-2019.

Since the stairwell costs came on suddenly, we decided to open a Line of Credit (LOC) with the bank for \$100K. As of yet, we have not had to access it, but for at least the next two years it is in place to cover unforeseen emergencies.

-Jon Faue