

# ≡ CHANCELLOR WEST ≡ HOMEOWNERS ASSOCIATION

## 2024 Reserve Component Study Summary



# The Reserve Component Study

Required by the Virginia Property Owners' Association Act: a full study every 5 years, annual review

- A fiduciary duty of the Board
  - Establish a **Reserve** for the repair, replacement, or restoration of **Capital Components**
  - Plan and **budget for the upkeep of Capital Components**
  - Ensure sufficient funding **to avoid a special assessment**
- What is a Reserve Component Study?
  - A long-term **budget planning tool for Capital Components**
  - A **means to develop the schedule and cost for repairing, replacing, or restoring Capital Components** as they age
  - A **process to determine if our Assessment income level is sufficient** to sustain amenities over the long term

# Our 2024 RC Study

## Study Framework

- Build on last year's study
- Use a Full Funding model
- **Conduct a full study; do it in-house**
- Assume a Low Hazard dam classification
- Examine the condition of each component
- Adjust Useful Life, Remaining Life, and costs using inspection results, job estimates, & research
- Use DIY where reasonable to save \$
- Focus on next five years
- Project out to 30 years to ensure replacements
- Avoid a substantial increase in the annual assessment

## Financial Analysis Approach

- Examine multiple options
- Employ sustained maintenance allowances to extend component useful life
- Prioritize component funding based on:
  - State requirements ... mostly dam related; Low Hazard Dam significantly reduces risk of a Special Assessment
  - Component repair / refurbishment / replacement needs
  - Risk of costly replacement ... if repairs deferred
  - Member comments
- Adjust component spending so that:
  - Annual spikes and troughs are minimized
  - Plans do not exceed an annual 5% assessment increase

# Chancellor West Reserve Components

- **Parking Lot**
  - Asphalt
  - Vinyl fence
- **Tot Lot**
  - Playscape 1
  - Playscape 2
  - Bench, picnic table
- **Pool Area (General)**
  - Concrete (sidewalks, building foundations, floors, pool deck)
  - Vinyl fencing
  - 10' chain link fencing
  - Light poles, fixtures
- **Pool Area Water System**
  - Septic system
  - Well and pump
  - Water conditioning system
  - Pressure bladder
- **Pool Entrance Building**
  - Structure, lighting, electrical, doors, siding, roofing
  - Bathrooms: sinks, toilets, fixtures, lighting, fans
- **Pool Pavilion and Storage Building**
  - Structure, roof, siding, doors
  - Light fixtures / electrical
  - Fans
- **Pools – Main and Baby**
  - Coping, tile, caulking, surface
  - Covers
  - Pumps, filters, lines, controls
  - Ancillary equipment
- **Pool & Pavilion Furniture (picnic tables, chairs, tables, lounges, umbrellas)**
- **Tennis Courts**
  - 10' chain link fencing
  - Court surface
  - Light poles, fixtures, electrical
  - Netting, stanchions
- **Entrance**
  - Brick entrance walls
  - Bollards & Lettering
  - Lighting
  - Vinyl fencing
- **Entrance Gatehouse (structure, siding, roof, door, windows, electrical)**
- **Shrubbery**
- **Irrigation System**
  - Well and pump, pressure bladder
  - Hydrants
  - Irrigation heads, valves, lines, controls
- **Lake and Dam**
  - Riser
  - Outlet pipe, header wall
  - Spillway area
  - 4 drainage culverts
  - Shoreline rip-rap
  - Dam maintenance

# Component Life and Costs

Component	Useful Life	Remaining Useful Life	Quantity	Unit of Measure	Unit Cost
<b>TOT LOT</b>					
Playground Repair Allowance	1	0	1	Each	\$200.00
Playscape Refurb	50	1	1	Each	\$2,000.00
Playscape 1 - Replace	20	1	1	Each	\$10,000.00
Playscape 2 - Replace	20	2	1	Each	\$10,000.00
Bench, Replace	20	6	1	Each	\$649.00
Picnic Table, Replace	10	6	1	Each	\$300.00
<b>TENNIS COURTS, FENCE, &amp; LIGHTS</b>					
Tennis Court 1, Repurpose/Refurbish Allowance 2024	50	0	1	Lump Sum	\$1,500.00
Tennis Court 1, Repurpose/Refurbish Allowance	15	1	1	Lump Sum	\$10,000.00
Tennis Court 2, Refurbishment	10	2	1	Lump Sum	\$10,000.00
Tennis Courts Maintenance	5	5	1	Lump Sum	\$2,000.00
Tennis Courts Chain Link Fence Repair	20	0	1	Lump Sum	\$1,000.00
Tennis Court, Light Fixtures Allowance	1	0	1	Each	\$800.00
Tennis Court, Light Poles, Paint	12	11	1	Each	\$2,900.00
<b>BUILDINGS</b>					
Pavilion & Pool Storage - Asphalt Roof, Replace	15	5	1,500	SF	\$7.00
Vinyl Siding Repair Allowance	3	2	1	Lump Sum	\$500.00
Pool Entrance Building - Asphalt Roof, Replace	15	6	1,500	SF	\$7.00
Pavilion, Fans, Replace	30	28	3	Each	\$188.00
Repair /Paint Allowance	10	3	1	Lump Sum	\$2,000.00
Pump Room, Electrical, Refurbish	50	0	1	Lump Sum	\$1,500.00
Gatehouse, Reroof	20	10	240	SF	\$7.00
Gatehouse, Door & Windows, Restore	20	0	1	Lump sum	\$800.00
Shrubbery Allowance	5	0	1	Lump Sum	\$1,500.00
Pool Area Video Security System	20	0	1	Lump Sum	\$1,000.00

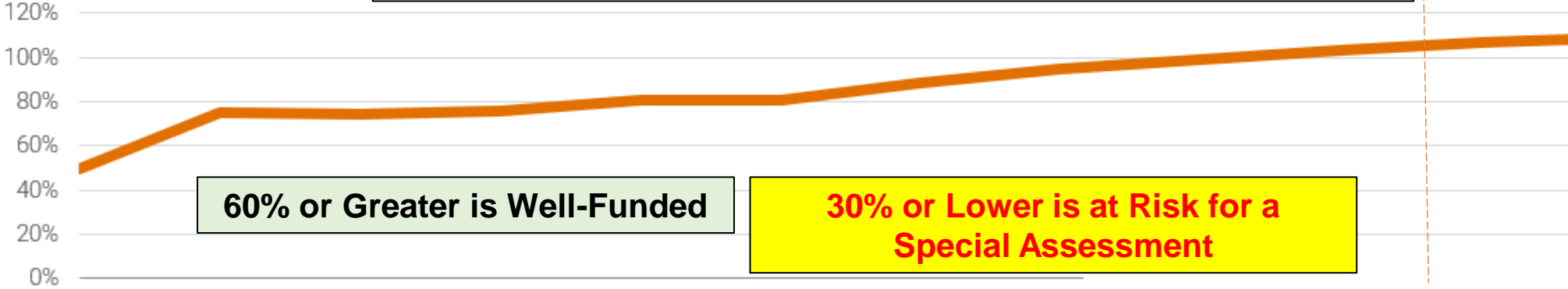
Component	Useful Life	Remaining Useful Life	Quantity	Unit of Measure	Unit Cost
<b>POOL CONTROLS, FILTERS &amp; PUMPS, ELECTRICAL CONTROLS, WATER &amp; SEPTIC SYSTEMS</b>					
Pool Filters, Replace	15	7	3	Lump Sum	\$1,200.00
Pool Filter Sand Replacement	8	4	3	Lump Sum	\$400.00
Pumps, Main & Baby Pools	12	3	1	Lump Sum	\$5,000.00
Septic System	5	3	1	Lump Sum	\$500.00
Well Pump & Pressure Tank, Replace	25	10	1	Lump Sum	\$1,500.00
Water Softner, Iron Filter System, Refurb	5	0	1	Lump Sum	\$1,200.00
Water System Maintenance (Annual Service)	1	1	1	Lump Sum	\$725.00
<b>BABY &amp; MAIN POOLS, FENCES, POOL FURNITURE</b>					
Main Pool Refurbishment	15	0	1	Lump Sum	\$28,500.00
Baby Pool - Refurbishment (Included in Main Pool)	50	50	1	Lump Sum	\$0.00
Pool Covers	15	15	1	Lump Sum	\$11,000.00
Pool Chain Link Fence	12	3	1	Lump Sum	\$10,000.00
Pool Chain Link Fence Refurb	50	0	1	Lump Sum	\$7,000.00
Inner 4' Vinyl Fence Repair Allowance	4	2	1	Lump Sum	\$500.00
Pool Furniture Tables, Chairs, Lounges, Umbrellas, Replacement Allowance	1	0	1	Lump Sum	\$1,000.00
Pool Furniture Picnic Tables, Replacement Allowance (x9)	2	1	1	Lump Sum	\$285.00
<b>ASPHALT &amp; CONCRETE</b>					
Asphalt Parking Area - Paving, Repair & Seal Coat	9	0	1	Lump Sum	\$4,400.00
Asphalt - Resurfacing ~12,000 Sq ft	20	4	1	Lump Sum	\$50,000.00
Concrete, Sidewalks and Pool Deck Repair Allowance	11	2	1	Lump Sum	\$1,000.00
Concrete, Pool Deck, Resurface 7190 SF	20	8	1	Lump Sum	\$39,000.00
Concrete, Pool Deck, Reseal 7190 SF	5	1	1	Lump Sum	\$500.00
Concrete, Pavillion Deck & Shed Floor, Repair Allowance	2	1	1	Lump Sum	\$500.00
<b>MAIN ENTRANCE AREA</b>					
Entry Monuments, Fence & Wall, Maintenance Allowance	10	2	1	Lump Sum	\$500.00
Irrigation, Well Pump & Pressure Tank, Replace	14	12	1	Lump Sum	\$2,000.00
Irrigation System, Repair & Maintenance Allowance	1	0	1	Lump Sum	\$500.00
Light Fixtures, Landscape & Carriage Light Restore Allowance	2	2	1	Lump Sum	\$100.00
<b>LAKE &amp; DAM</b>					
Dam Maintenance - North Culvert Restoration	50	0	1	Lump Sum	\$4,000.00
Dam Maintenance - Spillway Restoration	30	1	1	Lump Sum	\$5,000.00
Dam Maintenance - South-Western Culvert Restoration	50	2	1	Lump Sum	\$9,000.00
Dam Maintenance - Shoreline Restoration	30	1	1	Lump Sum	\$10,000.00
Dam & Lake Maintenance Allowance	1	1	1	Lump Sum	\$1,000.00
Riser Repair Fund	1	10	1	Lump Sum	\$5,000.00
Dam Maintenance - Concrete Endwall Restoration	30	0	1	Lump Sum	\$1,000.00

# 2024 Reserve Component Study

YEAR 0 - 29	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance	\$258,665	\$138,357	\$124,982	\$117,971	\$125,449	\$95,750	\$108,095	\$125,987	\$155,020	\$135,563	\$161,189
Percentage Funded (%)	49%	75%	74%	76%	80%	81%	88%	95%	99%	103%	106%
Beginning Balance	\$128,000	\$103,564	\$92,737	\$89,290	\$100,986	\$77,320	\$95,556	\$119,073	\$153,148	\$139,586	\$171,525
Reserve Contribution	\$31,290	\$32,855	\$34,497	\$36,222	\$38,033	\$39,174	\$40,349	\$41,560	\$42,807	\$44,091	\$44,091
Avg Unit Contribution (mth)	\$26.34	\$27.66	\$29.04	\$30.49	\$32.01	\$32.97	\$33.96	\$34.98	\$36.03	\$37.11	\$37.11
Contribution Increase (%)		5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%
Special Assessment											
Interest Earned	\$174	\$147	\$136	\$143	\$134	\$130	\$161	\$204	\$219	\$233	\$272
Reserve Expenditures	\$55,900	\$43,828	\$38,081	\$24,669	\$61,833	\$21,067	\$16,993	\$7,690	\$56,587	\$12,386	\$23,886
<b>ENDING BALANCE</b>	<b>\$103,564</b>	<b>\$92,737</b>	<b>\$89,290</b>	<b>\$100,986</b>	<b>\$77,320</b>	<b>\$95,556</b>	<b>\$119,073</b>	<b>\$153,148</b>	<b>\$139,586</b>	<b>\$171,525</b>	<b>\$192,002</b>

**Percent Funded**

The Percent Funded equation is the industry measure of how well prepared an association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the association's reserve account in relation to its anticipated costs of repair and replacement. The higher the funded level, the less exposed an association is to market conditions, unanticipated expenses or events, and fluctuations in the general economy.



# Reserve Component Near Term Plans

## - Major Expenditures in Each Category -

- **Tot Lot**
  - '24 / '25 Repairs
  - '25 - Replace playscape 1
  - '26 - Replace playscape 2
- **Court Area**
  - '24 - Clean and patch north court; develop multi- sport plan
  - '25 - Resurface the north court; line for multipurpose
  - '26 - Resurface and reline south court
- **Pump Room - Mechanical**
  - '24 - Complete walls & electrical refurb
  - '27 - Pool pump replaced
- **Pool Area**
  - '24 - Resurface & re-caulk both pools
  - '24 - Install new security entrance gate
  - '24 - Install video security system
  - '27 - Chain link fence maintenance
- **Asphalt & Concrete**
  - '24 - Repair and seal coat the parking lot
  - '28 - Resurface the parking lot
- **Front Entrance**
  - '24 - Relace door frame, windows, & rotten areas
  - '24 - Replace shrubbery
- **Lake & Dam**
  - '24 - Restore north lakeside drainage
  - '24 - Repair headwall delamination
  - '25 - Restore the spillway pool
  - '25 - Restore the lakeside shoreline
  - '26 - Restore south (spillway side) drainage culvert

# 2024 Reserve Budget

Reserve	
Account #	Budget 24
7010 Tot Lot	\$ 200
7020 Tennis Courts, Fencing, Lighting	3,300
7030 Buildings	4,800
7040 Main & Baby Pools	28,500
7050 Pump Room Mechanical	1,200
7060 Pool Furniture	1,000
7070 Fencing: Pool & Lot Vinyl, Chain Link	7,000
7075 Fencing: Parking Lot	0
7080 Asphalt Parking Lot	4,400
7090 Concrete Walks, Slabs, & Pool Deck	0
7095 Entrance Walls, Fence, Lighting	0
7096 Irrigation System	500
6135 Lake & Dam	5,000
<b>Reserve Total</b>	<b>\$ 55,900</b>