

## **Knollwood Condominium Homeowners Association Level 1 Reserve Study Addendum 1 12 July 2023**

### **Funding**

The first Reserve Study for the Knollwood Condominium Homeowners Association (HOA) was completed, and a report prepared on 9 June 2014. The Reserve Study recommended that a monthly reserve allocation of \$5,200 be made from the HOA budget, or \$86.67 per unit per month, and recommended future annual increases of 3.00% per annum for 30 years to account for inflation and to meet the funding requirements for the Reserve projects. The monthly dues per unit in 2014 were \$230.00 per month, and the recommended allocation of \$86.67 per month would have been an increase of 37.68% of the monthly dues per unit. The HOA members did not agree with that level of monthly payment, so the Board of Directors (Board) recommended that a prudent but not sufficient amount of 15% of the annual dues be allocated to the Reserve Fund in 2015 and at least that amount be included in future budgets.

The second Reserve Study for the Knollwood HOA was completed and a report prepared on 23 November 2020 (the Reserve Study must be completed every six years). The 2020 Reserve Study recommended that a monthly reserve allocation of \$7,625 be made from the HOA budget, or \$127.08 per unit per month. The Board of Directors recommended that 25% of the annual dues be allocated to the Reserve Fund in 2021 to come closer to the recommended monthly reserve allocation, but the total amount is still below the amount recommended in the Reserve Study. As in 2015, this was a balance between Reserve Fund and Operating Budget needs and the ability of HOA members to pay the monthly dues. The allocation of annual dues to the Reserve Fund continues to be 25% of the budget.

### **Study Project Amendments**

The developer who, in 2020, purchased the rights to build Phases 4 and the option to purchase the rights to build Phase 5, decided that it would be in his best interests to refurbish the common area recreational facilities (tennis courts, clubhouse, swimming pool surround). Items in the 2020 Reserve Study having to do with those are expected to be funded by the developer and not by the HOA. There is no schedule for those items to be accomplished since they are dependent upon unit sales. The 2023 Board of Directors and the Phase 4-5 developer agreed that one of the tennis courts should be converted into four Pickleball courts. That decision was based on the straw poll conducted at the 2022 Annual Meeting, in which more attendees preferred Pickleball courts, but a significant number still wanted to be able to play tennis.

Fence painting, scheduled for 2021, has been extended over three years and should be finished in 2023.

The slurry seal for Knollwood streets was deferred until necessary. The severe winter of 2022-2023 damaged streets and parking areas, and street and parking area repairs, along with sealing, were put under contract in 2023. That work is planned for the summer of 2023.

Tiles around the top interior of the pool were breaking and needed to be replaced. The 2022 Board of Directors decided that they fell under the 3-30-year window of items to be included in the Reserve Study and contracted the tile replacement in 2022.

The 2023 Board of Directors voted to replace the bromine pool sanitation system with a salt system because of the cost of bromine, and added the salt system replacement to the Reserve Study since the lifetime of the pool sanitation system lies in the 3–30-year window of items to be included in the Reserve Study. The replacement was done in May 2023.

Pool pump replacement was deferred until necessary. When the new pool sanitation system was installed, the state inspector required the water flow per hour to be improved; therefore, a new more powerful pump was required and was installed in 2023. The three existing main valves require repair and are being replaced along with associated leaking piping.

Resurfacing the pool has been deferred until necessary. Some work may be done by the Phase 4-5 developer at his cost with approval of the Board.

The 2024 clubhouse renovation items are expected to be done by the Phase 4-5 developer.

Major rehabilitation of asphalt on the streets planned for 2026 may be deferred since street repair and seal is being accomplished in 2023, after being deferred for a number of years.

Significant roof repairs were performed in 2023. Based on contractor and home inspector comments in 2023, replacement may need to be sooner than the expected shingle life.

#### Study Project Execution

##### 2020

Unit exterior painting	\$114,684.41
Clubhouse deck refurbishment	\$ 22,931.10

##### 2021

Fence painting	\$ 13,832.57
Fence replacement	\$ 9,750.00
Mailbox replacement	\$ 536.60

##### 2022

Fence painting	\$ 10,200.00
Fence replacement	\$ 4,100.00
Mailbox replacement	\$ 316.45
Pool tile replacement	\$ 7,372.38
Pool boiler replacement	\$ 4,447.81

##### 2023

Pool salt chlorine generators and piping	\$ 6,807.24
Pool pump replacement	underway
Street repairs	underway