

FROM THE BOARD

RESERVE STUDY COMPLETED

Ohio Law requires LLPOA to budget reserves “adequate to repair and replace major capital items in the normal course of operations without the necessity of special assessments . . . unless the reserve requirement is waived annually by a majority of the owners.” In order to comply with this law, your board commissioned a full reserve study for LLPOA from an engineering firm that specializes in this type of study. The study was recently completed and a report received. The following is a summary of methods and conclusions detailed in the study.

HOW IT IS DONE

A reserve study comprises two elements. First is a physical analysis detailing all components and their condition including an estimated useful life and replacement cost. Second is a financial analysis. Together, these elements are used to establish a funding plan to provide adequate capital to ensure replacement and repair of association assets when necessary.

All association property is included in this analysis including the clubhouse and all its components, clubhouse furnishings and equipment, streets, sidewalks, parking areas, road drains, catch basins, street signs, etc. A detailed schedule is provided in the report showing the projected timing and cost for anticipated repairs and/or replacements.

These projections, as well as those for funding, are made through the next 30 years. This long term focus allows for careful planning of required work as well as the accumulation of necessary capital. The goal is to enable LLPOA to function in a cost-effective manner, without the necessity for special assessments.

WHAT IT MEANS...

The report indicates, to no surprise, that to fully fund the reserve, it will be necessary to increase our dues. Prior to the end of the year you will receive a ballot whereby you can vote for the dues increase or vote to waive the reserve requirement. The Board unanimously supports the creation of an infrastructure/reserve assessment that, like our roads assessment, will be dedicated exclusively to future replacements and improvements of major capital items like the ones detailed in the reserve study.

FOR MORE INFORMATION...

The reserve study is a lengthy document with many charts and diagrams and it would be impractical to copy it for every owner. If you would like to examine it, you may view it on the LLPOA website. You are also welcome to make a copy of it at your own expense.

Date: 8/30/2015