



Proposed OPERATING BUDGET
Alcove Townhomes

9.12.2022

Next Year Budget
Annual Total

Revenue Assumptions:

Assessments

Dues - Operating Assessments

\$212,187

Dues - Reserve Assessments

\$50,000

Dues - Working Capital Fund (equal to 2 months Common Assessments)

\$35,365

Dues - Administrative Fees (\$150/ unit upon closing)

\$3,600

Assumptions based on similar townhome property; Red Hawk TH which has 36 units; 6 buildings with 6 units each. Total square footage: 59,958 sq. ft. The property has pedestrian walkways to each unit from the parking spaces and a main access road around the property. There are mulch beds and lawn around each building and between buildings that require landscaping maintenance.

OPERATING BUDGET EXPENSES

MAINTENANCE

Association Labor:

The 2023 hourly billable rate is \$32.76/hr. The billable rate includes payroll, insurance, uniforms, taxes, and workman's compensation. Association unskilled labor includes daily general maintenance, such as trash area inspections, routine light checks, and any other minor repairs necessary for association common areas. Skilled labor includes landscaping and grounds maintenance; not to exclude weekly weed whacking, mowing and edging, pulling of weeds, removal of slash/debris from landscaped areas, sweeping walk ways and parking areas of mulch and debris, and snow/ice removal. Any contracted temporary labor will be billed to the association at the standard billable rate for the task(s) performed.

2023 labor rates for skilled labor per hour will be as follows:

Lawn mowing, Landscaping and grounds maintenance - \$37.62

Snow/ice removal - shoveling and snow blowing with HOA owned equipment - \$37.62

Snow removal - snow blowing with Vail owned equipment - \$46.11

Hourly machine rates will be charged when equipment owned by the management company is used. Project prices may be based on a bid or time and materials at a specialty labor rate between \$31.81/hour and \$77.30/hour.

Association will only be billed for actual hours used.

Prior Year Forecast \$0

Standard Hourly Rate	32.76
Shovel Hourly Rate	37.62
Snow Blow & Mowing Hourly Rate	37.62

MONTH		#HRS/DAY	#DAYS	WAGE	SUBTOTALS	TOTALS:
JAN	Labor	1.00	31	\$32.76	\$1,016	\$2,183
	Shovel	0.50	31	\$37.62	\$583	
	Snow blow	0.50	31	\$37.62	\$583	
FEB	Labor	1.00	28	\$32.76	\$917	\$1,971
	Shovel	0.50	28	\$37.62	\$527	
	Snow blow	0.50	28	\$37.62	\$527	
MAR	Labor	1.00	31	\$32.76	\$1,016	\$2,182
	Shovel	0.50	31	\$37.62	\$583	
	Snow blow	0.50	31	\$37.62	\$583	
APR	Labor	1.00	30	\$32.76	\$983	\$1,547
	Shovel	0.50	30	\$37.62	\$564	
	Snow blow	0.00	30	\$37.62	\$0	
MAY	Labor	1.00	31	\$32.76	\$1,016	\$2,182
	Shovel	0.50	31	\$37.62	\$583	
	Landscape	0.50	31	\$37.62	\$583	
JUN	Labor	1.00	30	\$32.76	\$983	\$2,111
	Landscape	1.00	30	\$37.62	\$1,129	
JUL	Labor	1.00	31	\$32.76	\$1,016	\$2,182
	Landscape	1.00	31	\$37.62	\$1,166	
AUG	Labor	1.00	31	\$32.76	\$1,016	\$2,182
	Landscape	1.00	31	\$37.62	\$1,166	
SEPT	Labor	1.00	30	\$32.76	\$983	\$1,547
	Landscape	0.50	30	\$37.62	\$564	
OCT	Labor	1.00	31	\$32.76	\$1,016	\$2,182
	Shovel	0.50	31	\$37.62	\$583	
	Landscape	0.50	31	\$37.62	\$583	
NOV	Labor	1.00	30	\$32.76	\$983	\$2,111
	Shovel	0.50	30	\$37.62	\$564	
	Snow blow	0.50	30	\$37.62	\$564	
DEC	Labor	1.00	31	\$32.76	\$1,016	\$2,182
	Shovel	0.50	31	\$37.62	\$583	
	Snow blow	0.50	31	\$37.62	\$583	

Annual Total: **\$24,561****\$24,561**

Budget request

Operating Supplies-

This amount covers the cost of supplies for landscaping, snow and ice removal, miscellaneous tools, nuts and bolts, light bulbs, fuel and association cleaning supplies.

January	\$200.00	July	\$100.00
February	\$200.00	August	\$100.00
March	\$100.00	September	\$100.00
April	\$100.00	October	\$100.00
May	\$100.00	November	\$100.00
June	\$100.00	December	\$100.00
Annual Total:		\$1,400.00	

3.5% Expected increase over PY forecast

Prior Year Forecast **\$0****\$1,400**

Budget request

R & M-General-

Keystone Building Maintenance and sub-contractor projects. This includes all electrical, plumbing, carpentry, pest control, and all preventative maintenance work. Special projects such as window cleaning, chimney cleaning and gas fireplace inspection, roof inspection and paint touch ups.

Skilled labor rate increases to \$63.45/hour and Specialty Journeyman work rate is \$79.62/hour. Association will only be billed for actual hours used.

Current skilled labor rates:

General Journeyman Work (carpentry & minor electrical & plumbing repairs)General Journeyman Work Hourly Rate: **\$63.45**

Specialty Journeyman Work (electrical & demand controller work, dehumidification and air handling work, major plumbing repairs or installations, welding, sheet metal fabrication, telephone installation, etc.)

Specialty Journeyman Work Hourly Rate: **\$79.62**Prior Year Forecast **\$0**

MONTH	PROJECTS DESC.	GENERAL REPAIR	PROJECTS	TOTAL
January		\$400	\$ -	\$400
February		\$400	\$ -	\$400
March		\$400	\$ -	\$400
April		\$400	\$ -	\$400
May	Dryer Vent Cleaning	\$400	\$ 1,800.00	\$2,200
June	Annual Window Cleaning	\$400	\$ 2,500.00	\$2,900
July	Paint Touch Ups	\$400	\$ 500.00	\$900
August	Annual Roof Inspection	\$400	\$ 5,000.00	\$5,400
September		\$400	\$ -	\$400
October	Fireplace Inspections (\$75/unit)	\$400	\$ 1,800.00	\$2,200
November		\$400	\$ -	\$400
December		\$400	\$ -	\$400
TOTAL:		\$4,800	\$11,600	\$16,400

Annual Total: **\$16,400****SERVICES****General Landscape Maintenance**Prior Year Forecast **-****General Landscaping Maintenance includes the following:**

Irrigation start up, batteries, and adjustments

Irrigation winterization

Turf aeration

Irrigation Repairs are billed at \$90/hour plus materials.

Annual Irrigation Contract **\$2,200**

Mulch- 20 cu yards (\$1,925)

Fertilization of turf - Organically Grown (\$990/mo for fertilization, weed control- May/June/Aug)

Fertilization/Spraying of trees- Alpine Tree Services (\$1,936)

Tree Removal- Alpine Tree (\$550)

Annual Total **\$5,401**Total General Landscaping Maintenance **\$5,401****\$7,601**

Budget request

R & M-Snow Removal--

This is for contracted services to perform snow removal; Rooftop- assuming \$550/building per month and plowing at \$300 per month (20 pushes total) Additional plowing at \$90/visit.

Prior Year Forecast

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MONTH	ROOFTOP SNOW REMOVAL	PLOWING	TOTAL
January	\$5,500.00	\$300	\$5,800.00
February	\$5,500.00	\$300	\$5,800.00
March	\$5,500.00	\$300	\$5,800.00
April		\$300	\$300.00
May			\$0.00
June			\$0.00
July			\$0.00
August			\$0.00
September			\$0.00
October			\$0.00
November		\$300	\$300.00
December	\$5,500.00	\$300	\$5,800.00
TOTAL:	\$22,000.00	\$1,800	\$23,800.00

\$23,800

Budget request

Fire Alarm Line--

Assumes one system per building.

Prior Year Forecast

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QUANTITY	EXPENSE	COST	TOTAL	
1	Annual Sprinkler & Alarm Panel Test & Inspect (\$680/bldg)	\$7,480	\$7,480	/year
12	Telephone Lines-11 Bldgs Monthly (\$31.00/bldg)	\$341	\$4,092	/year
11	Annual Domestic Backflow Test & Inspect (\$180.00/bldg.)	\$180	\$1,980	/year
1	Annual Monitoring Service (\$423.80/bldg.)	\$424	\$424	/year
11	Fire Extinguisher Inspection	\$75	\$935	/year
1	Annual Deficiency Repairs	\$1,000	\$1,000	/year
4	Unanticipated Service Calls	\$500	\$2,000	/year
		Total "Specials" :	\$17,911	Annually

MONTH	TOTAL
January	\$341
February	\$341
March	\$841
April	\$765
May	\$7,821
June	\$2,821
July	\$1,341
August	\$341
September	\$841
October	\$341
November	\$341
December	\$1,776
TOTAL:	\$17,911

\$17,911

Budget request

Utilities-Electricity--

Electricity for exterior lighting. Budget numbers based on similar product history.

	Actual	% Increase	Budget
Jan	\$2,963	1.2%	\$2,999
Feb	\$2,665	0.8%	\$2,686
Mar	\$3,546	1.1%	\$3,585
Apr	\$2,953	1.1%	\$2,985
May	\$2,064	0.8%	\$2,081
Jun	\$446	0.6%	\$449

	Actual	% Increase	Budget
Jul	\$446	0.1%	\$446
Aug	\$426	2.6%	\$437
Sep	\$486	2.1%	\$496
Oct	\$2,146	1.8%	\$2,185
Nov	\$1,411	1.5%	\$1,432
Dec	\$2,602	1.4%	\$2,638

Prior Year Forecast

\$0

\$22,420

Budget request

AV-Cable TV--

Comcast is currently charging cable service fee at \$30.99 per unit per month (plus applicable taxes and fees.) Internet services is \$23.99 per unit per month plus applicable taxes and fees. This is generally a 5 year agreement and Comcast reserves the right to increase by up to 4%/year.

Prior Year Forecast

\$0

Cost Per Unit	\$54.98
# of Residential Units	24
6.5% Taxes, Surcharges, Fees	65

Monthly Total **1,384.52****\$16,614**

Budget request

Trash--

Trash and Recycle rates are set with a Keystone contract with Waste Management. One 8 yard container. Pick-Ups fluctuate through the year; generally two pick ups per week per during peak season and one pick up per week during off season.

Month	Trash & Recycling	Total
January	\$487.50	\$487.50
February	\$487.50	\$487.50
March	\$487.50	\$487.50
April	\$487.50	\$487.50
May	\$262.50	\$262.50
June	\$262.50	\$262.50
July	\$262.50	\$262.50
August	\$262.50	\$262.50
September	\$262.50	\$262.50
October	\$262.50	\$262.50
November	\$487.50	\$487.50
December	\$487.50	\$487.50
Annual Total:		\$4,500.00

% Increase over PY Actual Waste Management	0%
Annual Waste Management Disposal Expense	\$4,500
Additional disposal expenses due to higher occupancy	\$0
Annual Total:	\$4,500

Prior Year Forecast **\$0****\$4,500**

Budget request

Utilities-Water and Sewer--

15% The new fee structure implemented by Snake River Water District in 2013 will be increasing 12% for 2022.

Prior Year Forecast **\$0**

Type	# of Units	Taps per Unit	Total Taps
Total	24	1.1	26

Water

# of Residential taps	26.00
Base Fee per EQR per quarter	\$76.25
Total Base Fee per quarter	\$1,982.37
Annual Base Expense	\$7,929.48

Estimated Annual Overages **\$1,150.00****Sewer**

# of Residential taps	26.0
cost per tap per month	\$36.30
Base Rate per Month	\$943.80
Annual Sewer Expense	\$11,325.60

\$20,405

Budget request

GENERAL**Association Incentives**Manager / Employee Bonus - December **\$2,500****\$ 2,500****Business Meeting**

Travel expenses for Board members to attend meetings two times per year. Maximum reimbursable is \$600/board member.

# of BOARD MEMBERS	REIMBURSEMENT	TOTAL
3	\$600	\$1,800
Annual Total:		\$ 1,800.00

\$ 1,800**Board/Owner Meeting**

It is assumed there will be two board and one HOA meeting per year. This account is to be used for meeting room expenses, food & beverage, and a professional minutes taker is hired to transcribe minutes for the Board and Homeowner meetings.

Assume:

Board Meeting (2)	\$600
HOA Meeting (1)	\$1,000
Conference Line	\$50
Annual Total:	\$1,650

	Prior Year Forecast	\$0		\$1,650
Prof Svcs-Legal			Budget request	
0% Expected increase over PY forecast				
	Prior Year Forecast	\$0		\$1,000
Prof Svcs-Tax			Budget request	
Tax Return preparation fee.				
	Prior Year Forecast	\$425		\$500
Assoc Dues - KOA			Budget request	
Keystone Owners Association Dues (July)- \$225				
Colorado State DORA Fee (\$23)	Prior Year Forecast	\$0		\$248
			Budget request	
Insurance Premium Expense				
100% Expected increase over PY forecast				
Budget number based on similar product history	Prior Year Forecast	\$21,847		\$43,694
			Budget request	
Management Fee				
The management fee is for Keystone's management of the Association.				
The management fee includes these services:				
Billing and collection of monthly Association assessments and special assessments, preparation of monthly profit and loss statements, yearly budget preparation, Association meeting preparation research and monitoring special projects, maintenance of office records and corporate books, accounting services, investigation of all complaints and requests made by Association members, obtain insurance savings as part of a large insurance pool, payment of bills for the Association, collection of delinquent accounts and coordination with sub-contractors for services.				
	Phase 1	Phase 2	Phase 3	
Residential Units	8	16	24	
Monthly Management Fee per Unit	\$54	\$54	\$54	
Monthly Management Fee	\$432	\$864	\$1,296	
Annual Expense	\$5,184	\$10,368	\$15,552	
				\$5,184
				Budget request
TOTAL GENERAL OPERATING BUDGET:				\$212,187
Replacement Fund				
	Working Capital*	\$ 35,365		
Annual Replacement Fund - 2023 Assessments		\$ 50,000		
*Equivalent of 2 months assessment dues collected at unit closings of each unit.			Annual Total:	\$50,000

This document contains current estimated costs. The analysis is based on preliminary projections and assumptions that are subject to change as the project develops. The developer reserves the right to make any modifications and changes at any time as deemed necessary.