

Silver Valley Condominium Association



2014

capital improvements program

This brochure is prepared for the unit owners of the Silver Valley Condominium Association,
Munroe Falls, Ohio.

January 2, 2014

overview

The Silver Valley Condominium Association is three decades old. Many of the Association's original capital assets have deteriorated to the point where they require immediate repair and, in some cases, replacement.

As an Association, we are a corporation that must be run in a businesslike manner. It is the right and responsibility of the Board to ensure that capital assets are managed to sustain our quality of life, our safety, and the market value of our mutual investment.

Global Goals

In 2014, the Board will begin a capital improvements program to repair and/or replace damaged assets throughout the Silver Valley community. The goal is to balance the assessed costs with a durable restoration of safety and function to our shared resources.

Goals include:

- **Keep monthly fees at affordable levels.** The Board is sensitive to the burdens imposed by increases in monthly fees, especially for residents on fixed incomes. At the same time, the Board realizes that the market value of each unit is a large part of household wealth, and wishes to protect that value from erosion. The plan seeks to limit fees to levels required for operational expenses, while continuing to fund the Reserve at current, or slightly higher levels.
- **Complete a capital assets program large enough to address our most pressing issues thoroughly and effectively.** As you will see in this brochure, several issues overlap, making piecemeal fixes ineffective and costly. Failure to make systemic corrections will mask underlying problems that will soon become more costly due to neglect.
- **The Board has assembled detailed estimates** to make repairs to those assets whose service life can be extended by repair and refurbishment, and to replace those assets that have deteriorated to the point where they have become unsightly, unsafe, or no longer perform the function for which they were originally intended.

This informational brochure provides background information on the issues confronting us, an itemized description of our most immediate concerns, and a longer term outlook demonstrating why we need to address these issues.

A total cost for this project and explanation of assessment amount are included in our presentation, and additional details are spelled out in the assessment letter accompanying this brochure.

Thank you

The Board

major concerns

Many of the issues that require our attention overlap and must be addressed either in a logical progression, or concurrently.

Tree Removal

The 2013 beautification program removed 27 trees and trimmed many others. It opened up our streets, improved ventilation in common areas, and protected our new roofs from damage.

In spite of the success of that initial program, the Board has cataloged 40 more trees that continue to damage concrete, and strangle drains.

Removing all targeted trees and their stumps at the same time achieves an economy of scale, reducing the price per tree to a fraction of what it costs to remove them individually.

It also lets us start leveling and replacing damaged concrete sections in streets and driveways. Until now, many heaved and cracked concrete areas have not been repaired until the “root” cause for the damage can be eliminated.

Bottom line: The trees have to go first.

Drainage

Several drainage issues threaten multiple units with serious damage. A number of smaller storm water drains are not working, and surface runoff during heavy rains has flooded limited common areas. The plan includes the creation of dry beds to channel runoff to main drains to prevent serious building damage.

Bottom Line: Drainage problems create more expense than the cost of repairing them.

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major concerns



Retaining Walls

The Association has a total of 13 retaining walls. Replacement of all walls would be a very expensive proposition. Fortunately, several professional contractors have inspected the walls and suggested that we can extend the life of most by washing, making minor repairs, and sealing the existing timbers.

The comparatively modest expense for materials needed to do this will give us several more years of service from most walls, at a big savings.

Two of the walls cannot be saved and will have to be removed and replaced; costs for doing so are included in the assessment.

Bottom Line: A modest maintenance and repair investment can extend the life of most existing retaining walls.

Concrete

The damage to many of our streets, sidewalks, and driveways is significant. Once the trees are removed, we can begin slab-jacking serviceable concrete sections and replacing those that are cracked beyond repair.

As it was with the trees, we can achieve significant economies of scale by doing large sections (or entire streets) at the same time.

Bottom Line: Concrete repairs and leveling are both a cosmetic and safety concern. Spot repairs are extremely costly.

Fuse Boxes

Several of the main fuse boxes have been replaced. A recent inspection determined that while most are in good shape, one box on Silver Valley Blvd must be replaced. To preserve the remaining boxes, covers will be built over them and box metal will be treated with rust inhibitor to delay further oxidation damage.

Bottom Line: This must be done.

additional concerns

Landscaping

Landscaping of the nine community entrances plus community-wide mulching are included in this program. Like many other Association features, these highly visible areas need attention. Many of the trees and bushes are overgrown and in need of trimming or replacement.

The Board realizes that the market value of our properties will be determined in large part by the first impression we give to visitors, bankers, realtors, and prospective buyers. Since current budget obligations have limited the amount of discretionary funding the Board can allocate to landscaping, it has asked for bids to correct the worst landscaping faults at our street entrances, and make special plantings and improvements, based on a study conducted by the Beautification Committee.

The full color drawings from our landscape contractor are detailed and exciting. Visit www.silvervalleycondos.org for plans and pictures as the project progresses.



Stairs

Several of our units have masonry stairwells with cracks at steps and mortar joints. We have determined that remedial action within the coming year to repair these defects can make these stairs safe and serviceable for the foreseeable future.

Painting to Continue

The painting program will continue in 2014.

This will continue to be funded from the Reserve Fund, and is not included in the assessment. The 2014 painting project area is a continuation of the work started in 2013 on Lake Terrace.

Chimney Caps

A portion of the assessment will be allocated for the repair or replacement of chimney caps, as needed.



work schedule

This is the proposed work schedule for our projects.

Two contractors have been selected for the 2014 season, and contracts have been signed.

Year	Capital Budget Item
2014	Tree Removal
2014	Drainage Ridge Side
2014	Large retaining wall Olson Spur
2014	Small retaining wall Olson
2014	Drainage OS/termite traps
2014	Mulch
2014	Landscape entrances
2014	Electrical boxes
2015	Concrete OS
2015	Concrete SV South
2015	Slab Jack OS

scope of work - budget

project	description	amount (\$)
tree removal	40 trees remove/ with stumps	10,000
replacement planting	fill gaps left by tree removal	6,800
drainage RS and OS	create dry beds with gravel and drains	12,000
retaining wall OS	50" wall-replace	15,000
retaining wall 108 OS	regrade/boulders	2,500
concrete Olson Spur	street and drives	20,000
concrete SV south	street	18,000
slab jack olson drives and walks	level serviceable concrete sections	14,000
relocate termite traps	Olson and RS	5,000
mulch community	all	15,000
landscape entrances	all	19,000
electrical boxes	replace as needed - build shelters for remaining	5,000
Clean seal retaining walls	protect and extend life of 11 walls	7,200
repair steps/stoops	repair concrete mortar and seal (6 units)	500
total		150,000

The Board would like to thank the Beautification Committee for gathering detailed bids and cost estimates for landscaping our common areas.

Thanks, too, to Bob Willoughby for tramping the streets with lists and maps in hand, gathering the data used in the preparation of our program proposal and this brochure.

long term goals

The Board views our capital improvement program as the first step in a larger plan to ensure and enhance the stability and value of the Silver Valley community.

Once these major assets have been repaired or refreshed, our immediate need for large blocks of capital will diminish significantly.

With the completion of the painting and roofing projects, plus repairs to pavement, retaining walls, and drainage, most of the large capital obligations listed in the most recent Reserve Study (2010) will have been addressed for several years to come.

The program is also aimed at reducing long term capital needs and short term repair costs. By dealing with several major issues and their underlying causes at the same time, we hope to achieve economies of scale, while extending the service life of capital assets, allowing us to rebuild our cash reserves for the future.

To preserve and maintain these assets on a monthly basis, the Board intends to work closely with our new management company, KareCondo. With their assistance and expertise, we hope to re-evaluate our long term Reserve needs with an eye on closing the gap between the current reserve balance and a fully-funded state.



did you know? - recent projects

Many residents are unaware of several projects within the Silver Valley Community that have maintained and beautified our streets.

The upcoming capital assets program complements the following list of capital improvement projects, dating back to 2006.

biennial - Street sealing Mulberry Lane

2006-2013 - Roofing

2010-2014 - Exterior Painting

2011 - Street Repairs Ridge Side Court

2011 - Street Repairs Lake Terrace

2012 - Aeration pond joint project on Mulberry Lane

2013 - Tree removal and trimming/mulch community wide

2013 - Street repair Silver Valley Blvd.

2013 - Gutter repair and re-hanging

where your money goes- monthly maintenance fees

Your monthly maintenance fees are a great value. Here's a breakdown of how those fees are spent.

- 1. Association insurance.** You insure the inside of your unit and its contents, but do not have to purchase a separate homeowners plan to protect the structure from fire and other damage; your fees pay for that protection.
- 2. Legal counsel.** The Association benefits from the expert legal counsel of Kaman&Cusimano, the most respected condo law firm in Ohio. Your fees pay an annual retainer that entitles Board members to free advice that helps the Association act in accordance with local municipal regulations, and safely navigate the complex regulations governing condo associations in the state of Ohio
- 3. Management company.** Your fees hire KareCondo, a professional management company that oversees day-to-day operations throughout the Silver Valley community. This includes gathering and processing unit owner feedback, answering the phone, preparing the agenda for monthly Board meetings, obtaining bids for contact work, preparing a monthly financial statement, and other seemingly mundane, but essential tasks.
- 4. Mowing and yard maintenance.** Your fees hire the mowing team that cuts the grass, trims bushes, and picks up tree debris and fallen leaves in the autumn. Fees also clean all our gutters twice each year, so they drain properly.
- 5. Snow plowing and salting.** Each year, the Association contracts a plowing company that clears and removes snow, and salts our streets.
- 6. Trash removal and recycling.** We should all be thankful that we have curbside pickup, and don't have to wrestle our trash and recycling to the end of the street, or find a place in our garages for those immense garbage containers so popular with many municipalities that have switched to huge, automated trucks.
- 7. Exterior maintenance and repairs.** Fees pay for repairs to stucco, electrical components, outside stairs, chimneys, and other external features. It also pays for pest and insect control. Currently, your fees are paying for multiple treatments to eliminate a new threat from termites.
- 8. Utilities.** The city doesn't pay for our street lighting or for the aeration pump in the pond next to Mulberry Lane; your fees pay for both electricity and upkeep of the fixtures and pumps.
- 9. Contributions to the Reserve Fund.** Each month, \$3500 is deposited into the Reserve Fund. As its name implies, the Reserve Fund is a special cash account set aside to pay for capital improvements, and provides a quick source of cash for an emergency.