

declaration

declares property deed restricted

bylaws

governs the **internal operation** of the association

rules and regulations

handbook for daily neighborhood rules (Board promulgated and amended)

reserve fund

governing docs

what is it?

how large?

full funding

are we fully funded?

assessments

choices

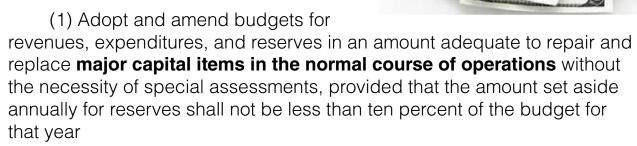
consequences

reserve fund

money for emergencies and capital improvements

Ohio Revised Code Section 5311.081(A)(1) states:

(A) Unless otherwise provided in the declaration or bylaws, the unit owners association, through the board of directors, shall. . .



unless the reserve requirement is waived annually by the unit owners exercising not less than a majority of the voting power of the unit owners association...



reserve fund

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reserve study

community inventory of capital improvement costs

- How does a board know how much money is enough to repair or replace a major item?
- How does it know whether its reserves are adequately funded?

To ascertain these numbers, a board should seriously consider hiring an outside firm to perform a "reserve study."

- Kaman & Cusimano

reserve fund

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full funding

having enough fund reserves to meet all capital improvement costs without special assessments

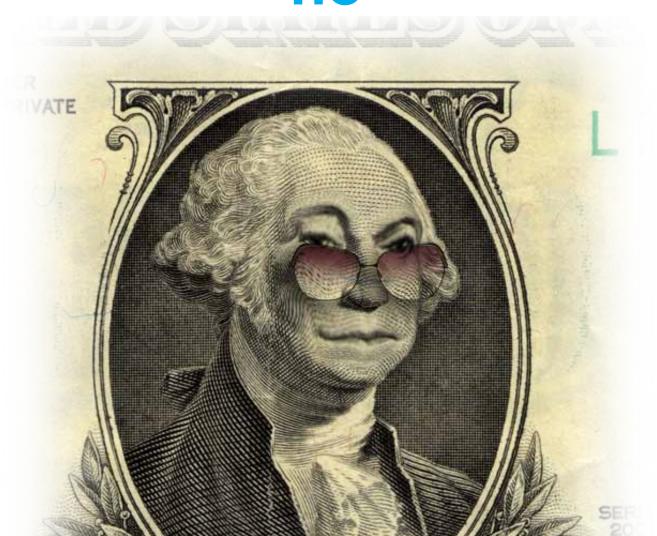


reserve fund

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are we fully funded? assessments choices consequences

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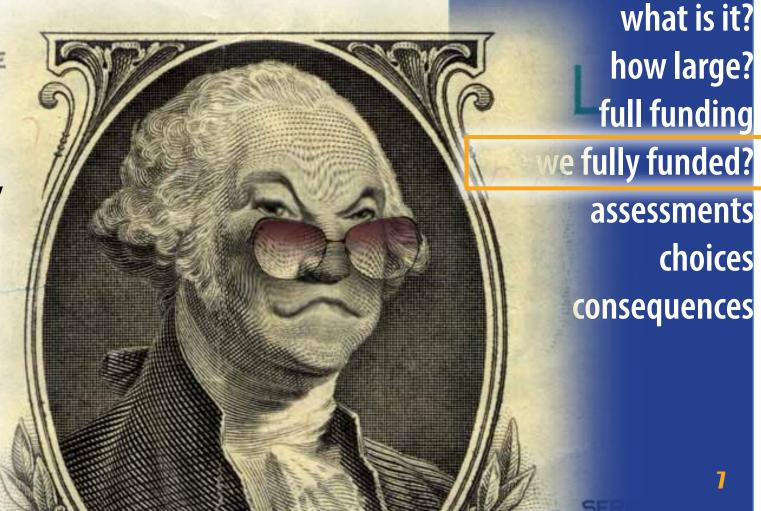
governing docs

Silver Valley

are we fully funded? not even close

Our current reserve funds are approximately \$325,000, compared to roughly \$365,000 in 2010.

That is only \$3000 per unit, by George.



reserve fund not a piggy bank



reserve fund

governing docs what is it? how large? full funding

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assessments choices consequences

full funding what would it take?

2011	\$216,000
2012	\$122,000
2013	\$125,000
2014	\$128,000
2015	\$131,000
2016	\$134,700
2017	\$138,100
2018	\$141,600
2019	\$145,000
2020	\$148,700

\$143,000 average/year

\$1300/unit/year

\$108/month/unit to the Reserve

reserve fund

governing docs what is it? how large? full funding

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full funding what would it take?

\$143,000

48,000

\$95,000/yr increase

\$71.32/month avg increase \$855.85/yr/unit



reserve fund

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assessments choices consequences

- Reserve Advisors 2010 Reserve Study Silver Valley Condo Association

just the start numbers increase

2021	\$154,200
2022	\$156,200
2023	\$160,100
2024	\$164,100
2025	\$168,200
2026	\$172,400
2027	\$176,700
2028	\$181,100
2029	\$185,600
2030	\$190,200

2031	\$195,000
2032	\$199,900
2033	\$204,900
2034	\$215,300
2035	\$220,700
2036	\$226,200
2037	\$231,900
2038	\$231,900
2039	\$237,700
2040	\$243,600

reserve fund

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choices what next?

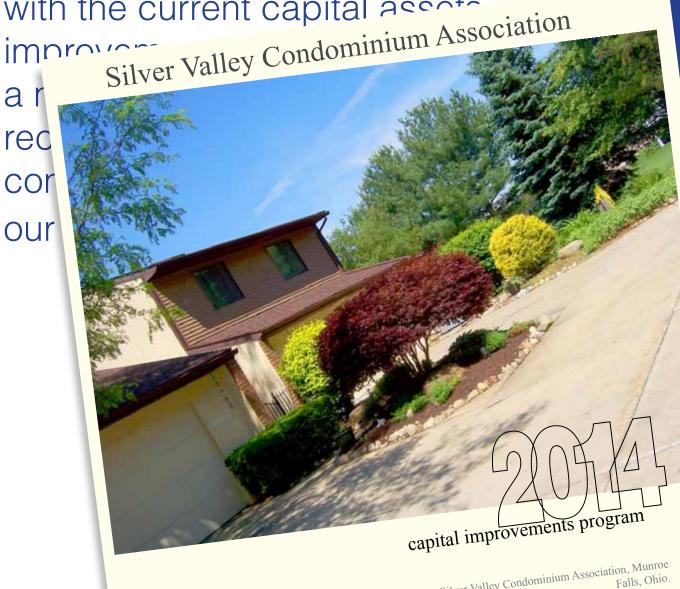
- 1) Fully fund.
- 2) Change nothing and assess.
- 3) Address immediate issues with the current capital assets improvements program, and do a new reserve study based on recent improvements (roofs, paint, concrete repair, etc.) Re-evaluate our capital needs.

reserve fund

governing docs what is it? how large? full funding are we fully funded? assessments

> choices consequences

3) Address immediate issues with the current capital assots



reserve fund

governing docs what is it? how large? full funding are we fully funded? assessments

choices consequences

consequences what if we do nothing?

- continued deterioration of capital assets
- reduced property values
- potentially larger assessments
- difficulty selling units
- difficulty getting loans
- higher loan rates
- potentially higher insurance costs
- risk having to borrow to maintain assets
- deterioration of our lifestyle

reserve fund

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it's our home get involved

Watch the web site for opportunities to volunteer.

Read newsletters and mail enclosures.

Clean and paint your garage and entrance doors and railings.

