

**Mosby Mountain Community Association, Inc.
MEETING OF THE BOARD OF DIRECTORS**

Date and time: Tuesday, September 27, 2022, 8:00 pm

Meeting location: Remotely over the internet via the Zoom meeting platform

Board members present via Zoom:

Steven Wasserman, President, 1999 Ridgetop Drive
Jim Peterson, Vice President, 1969 Ridgetop Drive
Ken Garrison, Director, 1371 Singleton Lane
Amy Isakson, Director, 1378 Singleton Lane
Brian Doench, Director, 1712 Mattox Court
Chris Boggs, Director, 1671 Hubbard Court

Other members present via Zoom:

Preston Miller & Debbie Mincarelli, 1390 Singleton Lane
Eric Loth, 1141 Turnstone Drive
Alan Strain, 1635 Hubbard Court
Ian & Jaymie Dixon, 1147 Turnstone Drive
Michael & Judith Hightower, 1957 Ridgetop Drive
Andrew Mihalek & Samira Soleimanpour, 1135 Turnstone Drive

1. Welcome and introductions

President Steve Wasserman called the meeting to order at 8:00 pm.

2. Adoption of agenda

Mr. Boggs made a request to move the Community Relations report to the first one covered within the Committee reports. On a motion by Mr. Garrison, seconded by Mr. Boggs, the agenda was adopted with this request included.

3. Approval of the July 20, 2022, board meeting minutes (posted on the mosbymountain.org website)

On a motion by Mr. Peterson, seconded by Mr. Garrison, the minutes of the July 20, 2022, board meeting minutes were unanimously approved.

4. Treasurer's Report

Mr. Wasserman presented the report as provided to him by Mr. Hamil (see attached). Income is what we expect and now includes the internet assessment feeds. Expenses are all in-line with the budget. The non-contract landscape actual expense has remained flat since last report and the association events have increased due to all the fun events that have now resumed. There were no further questions, and the board accepted the report as provided.

5. Committee reports

- a. Community Relations Committee: Ms. Isakson reported that we had a great block party, the free little library has been installed and movie night was a big success. The Halloween event is being planned by the committee. All board members expressed their gratitude and appreciation for the efforts of Ms. Isakson and the entire committee this year!
- b. Architectural Review Board Committee: Mr. Garrison reported there have been 3 requests to the ARB and all have been approved. No houses for sale recently and so no new requests for HOA packets.

- c. Common Areas Committee: Mr. Boggs reported that late fall maintenance is now underway - overseeding, aeration and application of fertilizer. Leaf pickup will occur one time before Thanksgiving and one time again afterwards. Mr. Garrison asked about Lumos lines being buried deep enough to not be cut when aeration occurs. Mr. Boggs responded the lines should be buried deep enough as per industry standard and unaffected by aeration.

Mr. Boggs provided an update on the new landscape contract. 4 vendors had submitted bids with descriptions of services to be provided. The proposals were reviewed with each vendor by Mr. Boggs, Mr. Doench and Mr. Wasserman. After this review Mr. Boggs recommends, we sign a new 3-year landscape agreement with Dos Amigos. On a motion by Mr. Peterson, seconded by Mr. Garrison, the board unanimously approved to sign a new landscape agreement with Dos Amigos.

6. Review & Approve the 2023 budget

Mr. Wasserman presented the proposed budget as it was distributed to all members on July 22, 2022. Mr. Boggs requested that we adjust the Common Areas Maintenance Contract expense line item for 2023 to be \$30,000. Mr. Boggs also requested to increase the Landscaping – Noncontract expense line item by \$4,835. These adjustments would keep the total expense for 2023 unchanged.

On a motion by Mr. Boggs, seconded by Mr. Garrison, the board unanimously voted to approve the 2023 budget with the changes proposed by Mr. Boggs. See attached for the approved 2023 budget.

7. Review & approve the MMCA reserve report

Mr. Wasserman reported that the state requires a review of assets and a report describing those, including the costs to maintain them over the next 30 years. A reserve fund is required to fund this maintenance. Mr. Wasserman has drafted this report for our assets (signs, trail bridges and run-off ponds). Final report requires an increase to our existing reserve fund of 5% per year going forward. The first increase is planned to come in the 2024 as part of regular MMCA dues.

On a motion by Mr. Peterson, seconded by Mr. Garrison, the board unanimously voted to approve the updated reserve report and the planned reserve fund increase as proposed by Mr. Wasserman.

8. Appointment of nominating committee for 2023 board

Mr. Wasserman proposed the nominating committee for the 2023 slate of officers and directors by Mr. Wasserman, Mr. Hamil and Mr. Peterson.

On a motion by Mr. Garrison, seconded by Mr. Doench, the board unanimously approved the creation of this nominating committee with these members.

9. Request from MMCA members to consider a name change.

Mr. Peterson provided a report on the background and the previous board review and decision made on September 15, 2020, MMCA board meeting. Mr. Peterson reported that since then the board has received more requests from member to consider a more definitive course of action. A proposal was made to follow past precedent and proceed with conducting a poll of current members to gauge interest in proceeding with a name change.

Mr. Peterson reported that since sharing the initial proposal of a poll that new information has come to light. First, the board is not empowered within our current Covenants & Restrictions to change the name of our subdivision. Second, per Albemarle County rules and procedures, a subdivision name change must be handled through the County. Initiating a name change must be done by homeowners within the subdivision, must include a new survey/plat of the subdivision and that new plat must include the approval from all homes included in the survey.

After discussion and based on this new information the suggestion was for the board to not proceed with a survey of members.

Request from MMCA members to consider a name change (contd.)

On a motion by Mr. Boggs, seconded by Mr. Peterson, the board unanimously voted to approve to not conduct any survey of members on this matter and acknowledged that individual members are free to pursue this matter on their own if they so choose.

On a motion by Mr. Boggs, seconded by Mr. Garrison, the board unanimously approved granting the Community Relations Committee the authority to draft a letter to be included in future HOA packets that stresses our community is one of inclusivity and welcoming.

On a motion by Mr. Boggs, seconded by Mr. Garrison, the board unanimously voted to remove all reference to the letter of historical context about John Mosby (as previously approved by the board on September 15, 2020) from the MMCA website and HOA packet.

10. Comments on items not on the agenda.

Mr. Garrison reported that he is working to discuss how to resolve recurring power outages with Dominion. In doing this, he is working to include representatives from all surrounding neighborhoods (Southwood, Whittington, etc.). His desire is to form a collective group of Old Lynchburg subdivision representatives to help work with Dominion to improve (decrease) the cases of power outages in our area. The board fully supports Mr. Garrison's efforts on this.

11. Next regular board meeting:

The annual meeting of the membership will be the annual meeting of the members on Tuesday, December 6th at 8pm. The next board meeting will be held in January 2023 on a date TBD.

12. Adjournment

On a motion by Mr. Boggs, seconded by Mr. Garrison, the meeting was adjourned.

Respectfully submitted,

Bryan Hamil
Secretary/Treasurer

August 2022 YTD Balance Sheet		August 2022 YTD P&L	
Aug 31, 22		Jan - Aug 22	
ASSETS		Ordinary Income/Expense	
Current Assets		Income	
Checking/Savings		41000 · ASSESSMENT INCOME 49,956.00	
10300 · Cash - VNB - 6409	31,307.76	41200 · Internet Assessment Income 24,356.92	
10500 · Capital One Business Savings	31,042.94	43000 · INTEREST INCOME 20.67	
Total Checking/Savings	62,350.70	Total Income 74,333.59	
Accounts Receivable		Gross Profit 74,333.59	
11000 · Accounts Receivable	-4,300.92	Expense	
Total Accounts Receivable	-4,300.92	51000 · ACCOUNTING FEES 1,767.82	
Total Current Assets	58,049.78	53500 · LICENSES AND FEES 25.00	
TOTAL ASSETS	58,049.78	55000 · OFFICE EXPENSE 0.00	
LIABILITIES & EQUITY		55005 · Association Events 189.13	
Equity		62500 · INTERNET SERVICE 18,999.82	
32000 · CAPITAL CONTRIBUTIONS	2,000.00	64500 · TRASH COLLECTION 16,904.34	
3900 · Retained Earnings	25,594.23	64600 · COMMON AREAS MAINTENANCE 185.81	
39996 · RETAINED EARNING	21,407.14	75300 · LANDSCAPING - CONTRACT 18,552.00	
Net Income	9,048.41	75400 · LANDSCAPING - NON-CONTRACT 8,636.26	
Total Equity	58,049.78	85510 · Bank Service Charges 25.00	
TOTAL LIABILITIES & EQUITY	58,049.78	Total Expense 65,285.18	
		Net Ordinary Income 9,048.41	
		Net Income 9,048.41	

August 2022 Budget vs Actual	Jan - Aug 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
41000 · ASSESSMENT INCOME	49,956.00	77,379.75	-27,423.75	64.56%
41200 · Internet Assessment Income	24,356.92			
41500 · Fee Income	0.00	30.00	-30.00	0.0%
43000 · INTEREST INCOME	20.67	66.68	-46.01	31.0%
Total Income	74,333.59	77,476.43	-3,142.84	95.94%
Gross Profit	74,333.59	77,476.43	-3,142.84	95.94%
Expense				
51000 · ACCOUNTING FEES	1,767.82	2,983.32	-1,215.50	59.26%
53500 · LICENSES AND FEES	25.00			
55000 · OFFICE EXPENSE	0.00	166.68	-166.68	0.0%
55005 · Association Events	189.13	433.32	-244.19	43.65%
56500 · TAXES	0.00	70.00	-70.00	0.0%
62500 · INTERNET SERVICE	18,999.82			
64500 · TRASH COLLECTION	16,904.34	17,574.00	-669.66	96.19%
64600 · COMMON AREAS MAINTENANCE	185.81	18,578.68	-18,392.87	1.0%
75300 · LANDSCAPING - CONTRACT	18,552.00			
75400 · LANDSCAPING - NON-CONTRACT	8,636.26	3,333.32	5,302.94	259.09%
85510 · Bank Service Charges	25.00			
Total Expense	65,285.18	43,139.32	22,145.86	151.34%
Net Ordinary Income	9,048.41	34,337.11	-25,288.70	26.35%
Net Income	9,048.41	34,337.11	-25,288.70	26.35%

MOSBY MOUNTAIN COMMUNITY ASSOCIATION, INC. -- BUDGET 2023

Categories	Code	19 Budget	19 Actual	20 Budget	20 Actual	21 Budget	21 Actual	22 Budget	22 Projected	23 Draft Budget
Assessment Income	41000	\$ 60,298.00	\$ 61,022.94	\$ 63,308.00	\$ 63,245.91	\$ 64,260.00	\$ 64,449.95	\$ 103,173.00	\$ 106,110.00	\$ 141,848.00
Fee Income	41500	\$ -	\$ 130.00	\$ 100.00	\$ 202.00	\$ 150.00	\$ 60.00	\$ 50.00	\$ 50.00	\$ 100.00
Disclosure Packet	42000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	43000	\$ -	\$ 122.88	\$ 100.00	\$ 123.36	\$ 100.00	\$ 59.18	\$ 100.00	\$ 100.00	\$ 100.00
Misc Income	44000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25.00	\$ -	\$ -	\$ -
Total Income		\$ 60,298.00	\$ 61,275.82	\$ 63,508.00	\$ 63,571.27	\$ 64,510.00	\$ 64,594.13	\$ 103,323.00	\$ 106,260.00	\$ 142,048.00
One Off Expense (Bad Debt, NSF)					\$ 8.11		\$ 135.00			
Accounting	51000	\$ 3,400.00	\$ 4,367.45	\$ 3,600.00	\$ 3,008.80	\$ 4,475.00	\$ 4,108.12	\$ 4,475.00	\$ 4,284.26	\$ 4,654.00
Bank Charges	51500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70.00	\$ -	\$ 25.00	\$ -
Liability, DBO, Bonding Ins/ins general 66350	52000	\$ 1,100.00	\$ 1,007.00	\$ 1,000.00	\$ 916.00	\$ 1,000.00	\$ 960.00	\$ 1,000.00	\$ 950.00	\$ 1,000.00
Legal	53000	\$ -	\$ (454.00)	\$ -	\$ 833.15	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes and Licenses	53500	\$ 150.00	\$ 38.00	\$ 70.00	\$ 25.00	\$ 70.00	\$ 185.00	\$ 70.00	\$ 70.00	\$ 70.00
Meeting Expense	54500	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ 157.40	\$ -	\$ -	\$ -
Office Expense	55000	\$ 200.00	\$ 337.89	\$ 250.00	\$ -	\$ 250.00	\$ 336.35	\$ 250.00	\$ 162.50	\$ 250.00
Website Expense	85500	\$ -	\$ -	\$ -	\$ 336.42	\$ -	\$ -	\$ -	\$ -	\$ -
Association events/activities 56200	55005	\$ 750.00	\$ 35.00	\$ 650.00	\$ -	\$ 650.00	\$ 330.97	\$ 650.00	\$ 600.00	\$ 650.00
Common area maintenance ("contract")*	75300	\$ 25,668.00	\$ 26,078.00	\$ 27,868.00	\$ 27,828.00	\$ 27,868.00	\$ 27,828.00	\$ 27,868.00	\$ 27,868.00	\$ 30,000.00
Misc Common Area Improvements	83000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping - Noncontracting	75400	\$ 3,000.00	\$ 2,642.50	\$ 3,700.00	\$ 2,660.00	\$ 3,700.00	\$ 1,220.00	\$ 5,000.00	\$ 8,636.26	\$ 15,835.00
Trash Collection	71450	\$ 26,361.00	\$ 25,347.00	\$ 26,361.00	\$ 25,347.00	\$ 26,361.00	\$ 25,347.00	\$ 26,361.00	\$ 25,347.00	\$ 25,347.00
Fiber Internet Services								\$ 37,485.00	\$ 40,422.00	\$ 64,260.00
Total Expense		\$ 60,729.00	\$ 59,398.84	\$ 63,499.00	\$ 60,962.48	\$ 64,374.00	\$ 60,677.84	\$ 103,159.00	\$ 108,365.02	\$ 142,066.00
Dues to cover Fiber Internet						\$ -	\$ -	\$ 135.00	\$ 135.00	\$ 135.00
Dues to cover all other costs						\$ 135.00	\$ 135.00	\$ 138.00	\$ 138.00	\$ 163.00
Quarterly Dues		\$ 128.00	\$ 133.00	\$ 133.00	\$ 133.00	\$ 135.00	\$ 135.00	\$ 273.00	\$ 273.00	\$ 298.00
Net increase/decrease to operating reserves		\$ 199.00	\$ 1,876.98	\$ 9.00	\$ 2,608.79	\$ 136.00	\$ 3,916.29	\$ 164.00	\$ (2,105.02)	\$ (18.00)

Community Reserve Study, Calendar Year 2022

Mosby Mountain Community Association

FINAL

This reserve study covers the calendar year 2022, because the Mosby Mountain Community Association, Inc., (MMCA) manages its finances on a calendar year basis. It is the understanding of the MMCA board that this study fulfills the requirements of “Guidelines for the Development of Reserve Studies for Capital Components,” adopted by the Common Interest Community Board of the Virginia Department of Professional and occupational Regulation (dated September 5. 2019).

Contents of this study

- I. Description of the Mosby Mountain community
- II. Tabular listing of component inventory, useful life, remaining useful life, and current replacement cost.
 - a. Determination of component inventory.
 - b. Determination of component useful life and documentation of maintenance assumptions
 - c. Assessment of remaining life; determine replacement year.
 - d. Determination of cost of replacement
- III. Reserve fund: starting balance, projected reserve expenses and contributions, and the projected ending reserve fund balance; methods and objectives utilized in developing the funding plan
- IV. References

I. Description of the Mosby Mountain community.

The Mosby Mountain subdivision is located in Albemarle County, Virginia, approximately four miles southwest of the city of Charlottesville. The community, developed between 2005 and 2007, covers 113 acres and is comprised of 119 single-family homes on one-half to one acre lots. Its seven streets are maintained by the Virginia Department of Transportation. The community maintains a substantially wooded common area that features several walking trails. The community does not offer amenities such as clubhouse, swimming pool, playground, athletic courts, or picnic shelters.

The community is surrounded to the north, west, and southwest by other residential subdivisions. To the east, across Old Lynchburg Road, is a mixed-use residential and commercial subdivision currently in the process of development. A to-be-developed state park lies to the southeast.

In its initial reserve study, the Mosby Mountain Community Association (MMCA) estimated that a reserve fund of \$30,000 would be sufficient to cover the cost of maintaining and rebuilding its

capital assets. Modest interest earnings on the principal are added to the fund.

II. Tabular listing of component inventory, quantity, useful life, remaining useful life, and current replacement cost.

Determination of component inventory. In its initial reserve study, MMCA had identified the following as components applicable for future repair or restoration: five stormwater management ponds, two entrance signs, and a wooden fence along Old Lynchburg Road. The Association projected that the community would have to fund approximately \$30,000 in repairs/replacements every ten years and set the size of the reserve fund at \$30,000.

The 2022 physical analysis determined the following changes to the component inventory (see Table 1 for current list):

- Old Lynchburg Road fence. The board considered its current benefit to the community and decided to remove it at such time as its useful life has come to an end. It has been excluded from consideration in this study.
- Stormwater management ponds. The original reserve study gave the incorrect number of ponds, probably because the individuals involved examined the community plat and counting the number of areas marked “stormwater management easement” rather than via a physical inventory. Of the stormwater management easements on the plat, one is located in an adjacent community, Mountain Valley Farm, and two represent natural or rip rap drainage. Thus, only two stormwater management ponds exist in the current inventory: one north of Ambrose Commons below the water pumping station, and one at the north corner of the intersection of Old Lynchburg Road and Singleton Lane.
- Six trail bridges were not included in the original reserve study: four on the Ambrose Commons loop trail, one on the Singleton-Ridgetop trail, and one on the Hubbard-Ambrose trail.

Table 1. Listing of Mosby Mountain inventory for reserve study, August 2022

Asset	Description	Components	Built	Lifespan (yr)			Component replacement	
				Useful	Left	Date	Contractor cost*	DIY cost*
Ambrose trail, bridge #1	Bridge nearest trail entry on Ambrose Commons	Pressure-treated lumber, no concrete footings	2005	20	3	2025	5,238	490
Ambrose trail, bridge #2	Next bridge down Ambrose trail	"	2005	20	3	2025	5,238	523
Ambrose trail, bridge #4	Bridge nearest pump house	"	2005	20	3	2025	5,238	583
Hubbard trail bridge	Located between Hubbard and OLR	"	2005	20	3	2025	5,238	583
Small community (south) entry sign	Entry sign, corner of Singleton Lane and OLR	Pressure-treated lumber, no footings.	2005	20	3	2025	2,250	
Singleton-Ridgetop trail bridge	Across rip rap adjacent to Singleton Lane	Pressure-treated lumber, concrete footings	2010	30	15	2040	6,548	729
Stormwater mgt. pond, Ambrose Commons	One-acre basin (approx.)	Soil/rock walls	2004	50	83	2054	6,700	
Stormwater mgt. pond, Singleton and OLR	One-acre basin (approx.)	"	2004	50	83	2054	6,700	
Ambrose trail, bridge #3	Arched bridge, third on Ambrose trail	Pressure-treated lumber on concrete footings	2005	50	33	2055	15,714	
Large community entry sign #1	North entrance, on Old Lynchburg Road	Masonry retaining wall, metal supports, plastic sign	2017	50	45	2067	13,500	
Large community entry sign #2	South entrance, located on Singleton Lane	"	2017	50	45	2067	4,500	

* Sources for **current-dollar** replacement costs (see text):

Contractor estimates (Ambrose, Hubbard, and Singleton-Ridgetop trail bridges)

DIY costs for replacement of small bridges calculated from www.lowes.com, accessed July 2022

Recent replacement cost for community signage

For ponds: 2022 Unit Price Schedule, Bonds and Agreements Center, Fairfax County Land Development Services

Determination of component useful life and documentation of maintenance assumptions.

Trail bridges. The MMCA vice-president is knowledgeable in the area of construction and maintenance of pressure-treated structures such as our trail bridges, based on decades of experience in this field. Relying on this experience, we were able to determine the useful life of bridges and signage.

Stormwater management ponds. To determine the useful life of the community's stormwater management ponds, we consulted "Average expected useful life of new publicly owned stormwater assets, Infrastructure Canada" (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410021601>), which gives an average useful lifespan of 56.2 years. We use a slightly more conservative 50 years.

Entry signs. The small community sign is anchored to the ground by pressure-treated lumber. We estimate a similar useful life for this item as we did for the trail bridges with no concrete footings, i.e., 20 years. The large community signs were assumed to have useful lives of 50 years, based on the type of construction and the materials employed. The verticals in the ground are constructed of non-corroding metal and the sign itself is made of molded plastic. Both are surrounded by small concrete retaining walls that will last a similar length of time.

Furthermore, this report assumes that pressure-treated wood structures will be examined annually by the MMCA Common Areas Committee, which will report to the board any required maintenance. The officers will determine the cost of that maintenance and whether the source of funds would be general operating expenses or the reserve fund. It is expected that such costs would be low (small numbers of pressure-treated boards and fasteners each year), which could be handled from the operating budget.

Assessment of remaining life; determine replacement year.

The *installation date* for all of the components was determined from historical documents: five trail bridges, the small community sign, and the stormwater management ponds were installed in 2004 by the developer of the community; the sixth bridge was built and installed by a community resident in 2010; and in 2017 the community replaced the two large community signs.

The *replacement year* was calculated as the installation year plus the useful life. The *remaining life* was calculated as the replacement year minus 2022.

This allowed us to develop a timeline for the next 30 years (see Table 1), that serves as a rough schedule for expected replacement of components. Specifically, in the next 30 years, it is anticipated that four smaller trail bridges and the small community sign will require replacement around 2025, and the Singleton trail bridge will require replacement around 2040.

Determination of cost of replacement.

- For the three bridges on the Ambrose Commons loop trail and the one bridge on the Hubbard-Ambrose trail that were not constructed on concrete footings, we solicited replacement quotes from two local companies. The quotes were \$3742 and \$6734 and we estimate the replacement cost by a contractor as their average, i.e., \$5238 per bridge. We also calculated the cost of replacing these structures by community volunteers, by enumerating the individual boards and hardware that had been used in their construction and calculating their purchase

cost at the websites of local home improvement scores. Because the cost of hiring contractors to replace these bridges is approximately ten times the cost of a community-built replacement, the board decided that residents should construct replacements or conduct maintenance on these bridges as needed. Therefore, the cost given herein for replacing these bridges is materials-only, as of July 2022. Note: in determining the remaining life for pressure-treated lumber bridges, it was assumed that the community would provide a reasonable level of continued preventative maintenance (e.g., individual board replacements as they are worn out by walkers).

- The cost of replacement for the small community sign at the corner of Singleton Lane and Old Lynchburg Road was estimated from the recent replacement of our larger community signs, as one-half of the cost of the smaller of those signs, i.e., \$2250.
- The Singleton-Ridgetop trail bridge is structurally more substantial than the four smaller bridges described above and probably was over-constructed; if it were replaced it would not require its current bulk. The bridge sits on concrete footings, increasing its lifespan. Because of the current complexity of the structure, we have used a liberal estimate for a “DIY” replacement of the bridge that is 25% higher than that of the other bridges, i.e., \$729 in 2022 dollars, though if it were replaced with a less substantial, though adequate, bridge that would be an overestimate.
- The arched bridge on the Ambrose Commons loop trail is set on concrete footings, which will substantially reduce its rate of deterioration. Therefore, we expect it to have a lifespan of 50 years from its construction in 2005. Until then, minor maintenance (replacement of single tread or handrail boards may be required; these costs will be taken out of the HOA’s normal operating budget. Because of the intricate design of the bridge, replacement would have to be performed by a contractor. We have estimated the replacement cost as three times the cost estimates for other contractor-installed bridges in the community.
- The two large community signs, on Ambrose Commons and Singleton, respectively, were recently replaced. We used those replacement costs (i.e., \$13,500 and \$4500) here as our basis for 2022.
- The community has stormwater management ponds on the north side of Ambrose Commons Drive below the water pumping station, and at the corner of Old Lynchburg Road and Singleton Lane. It is estimated that each structure does not exceed one acre. The current replacement cost for each was obtained from “2022 Unit Price Schedule, Bonds and Agreements Center, Fairfax County Land Development Services” (<https://www.fairfaxcounty.gov/landdevelopment/sites/landdevelopment/files/Assets/documents/PDF/publications/unit-price-schedule.pdf>), which gives a replacement cost of \$3350 for a one-acre pond. We believe this to be an underestimate, and have doubled the cost for each pond in this analysis (i.e., \$6700 currently).

III. Reserve fund: starting balance, projected reserve expenses and contributions, and the projected ending reserve fund balance; methods and objectives utilized in developing the funding plan

The current reserve balance is approximately \$31,000, slightly more than the \$30,000 balance recommended in the original reserve study. These funds reside in a business savings account that accrues interest at a negligible rate, so over time that balance will change substantially only if the community uses it for maintenance/replacement or levies assessments on homeowners to replenish the account. ***The Association’s aim over the coming 30 years is to grow the reserve balance in order to outpace anticipated inflation and the anticipated cost of repairing/replacing its component inventory.***

Throughout this report, we have assumed a federal inflation rate of 3% per year. (The board acknowledges that the current rate of inflation is substantially higher, but believes that the Federal Reserve Board will be able to reduce it to its historical 3% target.)

Table 2 describes the anticipated replacement costs during this 30-year period, specifically several trail bridges and a small entry sign in 2025 and an additional trail bridge in 2040. These replacement costs are given in then-current dollars, including intervening inflation.

Table 2. Replacement costs and replenishment of the reserve fund balance, 2023 - 2042, then-current dollars

Year	Component to be replaced						Special assessment required	
	Ambrose bridge 1	Ambrose bridge 2	Ambrose bridge 4	Hubbard bridge	Small sign	Singleton bridge	Overall community	Per home
2025	535	571	637	637	2,459		4,840	40.67
2040						11,147	11,147	93.67

Neither of these replacement activities will expend a large portion of the reserve balance or create a major financial burden on homeowners in replenishing the community’s reserves.

In order to maintain sufficient financial reserves, the board considered replenishing the reserve account via either increases in monthly HOA fees or special assessments. (The replacement of two large community signs in 2017 cost \$18,000 and was funded from the operating surplus.) We propose to increase HOA fees in order to grow the reserve fund by five percent per year which will provide the community with a sufficient financial cushion to pay for the anticipated replacement costs on its component inventory, adjusting for inflation. This increase in HOA fees will begin in 2024.

V. References (accessed August 2022)

1. “Average expected useful life of new publicly owned stormwater assets, Infrastructure Canada” (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410021601>)
2. “2022 Unit Price Schedule, Bonds and Agreements Center, Fairfax County Land Development Services” (<https://www.fairfaxcounty.gov/landdevelopment/sites/landdevelopment/files/Assets/documents/PDF/publications/unit-price-schedule.pdf>)