



Eagle Bend West Community Association, Inc.

In the greater Harbor Village community- a great place to live!

To: Members, Eagle Bend West Community Association, Inc.

Date: October 27, 2022

Subject: Memo to Members: Proposed 2023 Budget Notice

With chill in the air and a bit of rain - and with snow ahead - it's been a wonderful fall in Eagle Bend West, adding to the joy of living here!

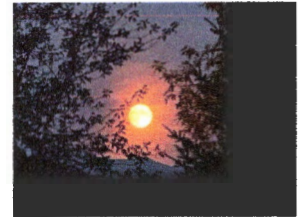


In contrast to our cool, wet spring, we've seen warmer temperatures until now. Tree colors have been bright.



Flowers have kept their brilliance into the first cool rain.

And the moon seems to be adding its more-wintery ring on colder nights.



As the season changes, so does the focus of the EBWCA Board of Directors as we plan for the next year. A result is that this Memo to Members includes our proposed 2023 budget that we hope you'll review. Your comments and questions are welcomed. Following the budget explanation provided by Treasurer Kevin Kleckner there are a couple of reminders that we call to your attention.

Proposed 2023 Budget

In accordance with our community's CC&Rs, this is the official notice to Eagle Bend West Community Association members (required by November 1) of the proposed budget for 2023. It is attached to this Memo. Based on your feedback on the proposal, the Board is required by December 1, 2022 to set the dues level for the coming fiscal/calendar year that begins on January 1, 2023.

Following a recent meeting to review the community's financial history and cost projections, facilitated by our Treasurer Kevin Kleckner, the board is proposing no change to the quarterly dues of \$443 per quarter.

Key considerations and strategies factored in the board's recommendation include:

- Dues of \$443/Quarter allocated as follows: \$353/Quarter to operating expenses, \$60/Quarter to capital reserve, and \$30/Quarter to road reserve.
- With continued contributions to the Capital Reserve, the community is establishing a reserve addressing anticipated future capital items utilized in the community operations. Examples include acquisition of improved pumps/water control equipment, landscape improvements, mailbox replacement, sidewalk improvements, signage, etc.

A capital expenditure plan is being developed for the community to assist in capital project definition and expenditures for 2023 and beyond.

- With continued contributions to the road reserve, the community continues to add to the established reserve supporting the future resurfacing of roads in the community. Given utilization of petroleum products in resurfacing systems (asphalt, slurry, chip seal), the anticipated cost of resurfacing is expected to increase, thus the recommended continued contributions to the reserve. As a related item, the 2023 budget retains annual street sealing which minimizes pavement water intrusion, helping extend the life of the roads
- The community's water feature and irrigation system involves expenses associated with routine maintenance, as well as expense for repairs of buried water supply lines, transfer pumps, and irrigation pumps during summer operations. Although the community was fortunate not to have any major irrigation system failures in 2022 (contrary to the \$15K expense experienced in 2021), the 2023 budget does include a \$7K placeholder to address labor-intensive repairs should we experience a problem following the winter freeze, or during critical summer operations.
- Given inflation impacts on fuel, chemicals, electricity, and wages, the board has included escalation on selected budget cost elements. Inflation examples include, 1) the community's 2023 tree service estimate (involving vehicle expense, technician labor, and tree chemicals) has increased 45% over 2022, 2) the potential of a Flathead Electric Rate increase in June 2023, and 3) projected increases associated with EBWCA's allocation to Pavilion maintenance. Where feasible, the board will explore competition or alternate sources of service, to help counter cost increases.
- The 2023 budget includes funding to explore improved (water jetting) drain cleaning of select community street drains. If results are positive, and deemed value added to the community, additional cleaning can be planned in the future. Also pertaining to our streets, the 2023 budget includes the addition of a second street sweeping (July/August time frame), addressing the building/roofing debris noticed in the community.
- Looking forward to 2024 planning, the board will be required to re-bid/negotiate some of our key maintenance subcontracts serving the community, examples being the Landscaping scope with Black Magic LLC and irrigation hourly maintenance rates with Youngbucks LLC. Impacts of inflation are expected to have impact on re-negotiations, however the board will look for solutions that can help minimize cost increases to the community in 2024.

If you have any questions, or would like more budget detail, please contact Kevin Kleckner directly at 406.909.0543. Comments should be provided to Kevin by Friday, November 19, if possible.

Reminders

Especially as some of our EBWCA owners begin returning to warmer climates, but also as a reminder to all, it is important that Property Manager David Roberts and his team have current emergency contact information on file for you. You may want to check with Dave to be sure he has a good cell phone numbers and email addresses. His contact information is below.

Our holiday reindeer are about ready to come out of the barn. So, we encourage anyone who may want a fun volunteer activity to become a member of our wrangler team that each season herds the deer to our Canal Street entrance where they provide a sparkling community welcome.

We do need several people who would be willing to learn and periodically be responsible for the (very simple) setup and lighting connection process.

Our installation this year will likely be on the afternoon of Saturday, November 19, following the Bigfork Elves decoration of our village.

If you'd like to help, please call Bill Whitsitt at 406.309.0890.

Please also remember that on the EBWCA website (<https://eaglebendwestmt.com>) are updated posts of meeting schedules and minutes, governing documents and community news and information.

We always encourage attendance at our Board meetings, and if you have comments or suggestions anytime, please contact any or all of us.

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	Element	2023 Draft Budget	Comments
	<i>Dues- Operating Portion</i>	\$ 81,896	\$353/QTR Dues
	<i>Dues - Capital Reserve Portion</i>	\$ 13,920	\$60/QTR Dues
	<i>Dues - Road Reserve Portion</i>	\$ 6,960	\$30/QTR Dues
	<i>Design Review Fees</i>	\$ -	No New Builds Anticipated
	<i>Vacant Lot Mowing</i>	\$ 2,000	
	<i>Road Reserve Interest</i>	\$ 750	
Income Total		\$ 105,526	
G&A			
	<i>Architectural Fees</i>	\$ -	
	<i>Property Manager</i>	\$ 6,000	
	<i>Income Tax</i>	\$ 250	
	<i>Insurance -Liability/D&O</i>	\$ 2,500	
	<i>Office Supplies</i>	\$ -	
	<i>Postage and Delivery</i>	\$ 700	
	<i>Audit and Accounting</i>	\$ 200	
	<i>Legal Fees</i>	\$ 2,500	
	<i>Licenses & filing</i>	\$ 25	
	<i>Website</i>	\$ 500	
	<i>Bank Service Charges</i>	\$ -	
Total G&A		\$ 12,675	
Grounds & Maintenance			
	<i>Christmas Lights</i>	\$ 50	
	<i>Curb and Sidewalk Repairs</i>	\$ 1,000	
	<i>Drain Repairs/Cleaning</i>	\$ 3,000	
Irrigation Maintenance			
	<i>Irrigation On/Off Contract</i>	\$ 1,000	
	<i>Irrigation Pump Maintenance</i>	\$ 1,500	
	<i>Irrigation Repairs</i>	\$ 7,000	
Total Irrigation Maintenance		\$ 9,500	
Landscape Maintenance			
	<i>Landscape Contract</i>	\$ 22,575	
	<i>Landscape Supplies</i>	\$ 2,000	
	<i>Tree Maintenance</i>	\$ 4,704	
Total Landscape Maintenance		\$ 29,279	
	<i>Lighting Repair</i>	\$ 100	
	<i>Painting</i>	\$ 250	
	<i>Pond Weed Control</i>	\$ 217	
Utilities			
	<i>Electric</i>	\$ 5,800	
Total Utilities		\$ 5,800	
	<i>Vacant Lot Mowing</i>	\$ 2,000	
	<i>Waterfall Maintenance</i>	\$ 2,000	
	<i>Grounds and Maintance Other</i>	\$ -	
Total Grounds and Maintenance		\$ 53,196	
Pavillion Expense			
	<i>Pavillion Allocation</i>	\$ 4,350	

Total Pavillion Expense		\$	4,350
<i>Reserve Fund</i>			
	<i>Capital Reserve Contribution</i>	\$	13,920
	<i>Road Reserve</i>	\$	6,960
	<i>Road Reserve Interest</i>	\$	750
	<i>Contigency/Management Rese</i>	\$	2,000
	<i>Total Reserves</i>	\$	23,630
<i>Road Maintenance</i>			
	<i>Crack Sealing</i>	\$	4,200
	<i>Snow Removal</i>	\$	4,000
	<i>Street Sign Maintenance</i>	\$	1,000
	<i>Sweep Roadways</i>	\$	900
Total Road Maintenance		\$	10,100
Social Expense		\$	1,500
Expense Total		\$	105,451
Net Income		\$	75