

SUNSET SANDS COMMUNITY ASSOCIATION
5-YEAR IMPROVEMENT PLAN
June 1, 2013-2018

DRAFT

Strategy

Historically the board of directors has used a “pay as you go” approach for addressing the many maintenance items, and property improvements. The board of directors believes that staying with this approach for the next 5 years will allow the community to continue to make major investments in critical infrastructure (like Roofs & HVAC systems) while continuing to enhance the livability of our community in a manner that is financially responsible and achievable. The 5 year plan that follows is developed with the same “do a little each year pay as you go” philosophy in mind. It is intended to act as a guide for the current and future board of directors. This plan is will be reviewed and updated each year by the board as circumstances dictate.

Reserve study

(1) A reserve study as described in RCW will be conducted annually and incorporated into our 5 Year Capital Improvement Plan.

[64.38.065](#) is supplemental to the association's operating and maintenance budget. In preparing a reserve study, the association shall estimate the anticipated major maintenance, repair, and replacement costs, whose infrequent and significant nature make them impractical to be included in an annual budget.

(2) A reserve study must include:

(a) A reserve component list, including any reserve component that would cost more than one percent of the annual budget of the association, not including the reserve account, for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current major maintenance, repair, or replacement cost for each reserve component;

- (b) The date of the study, and a statement that the study meets the requirements of this section;
 - (c) The following level of reserve study performed:
 - (i) Level I: Full reserve study funding analysis and plan;
 - (ii) Level II: Update with visual site inspection; or
 - (iii) Level III: Update with no visual site inspection;
 - (d) The association's reserve account balance;
 - (e) The percentage of the fully funded balance that the reserve account is funded;
 - (f) Special assessments already implemented or planned;
 - (g) Interest and inflation assumptions;
 - (h) Current reserve account contribution rates for a full funding plan and baseline funding plan;
 - (i) A recommended reserve account contribution rate, a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study period without special assessments, and a contribution rate recommended by the reserve study professional;
 - (j) A projected reserve account balance for thirty years and a funding plan to pay for projected costs from that reserve account balance without reliance on future unplanned special assessments; and
 - (k) A statement on whether the reserve study was prepared with the assistance of a reserve study professional.
- (3) A reserve study must also include the following disclosure: "This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component."

Goals

- 1) Increase Homeowner Value by:
 - Continuing to Invest in both infrastructure and curb appeal elements on an ongoing basis giving the highest priority to roofing, HVAC replacement, generator, Club House appliances and required capital improvement to our common areas.
 - Landscape, Xeriscape and hardscape replacement
 - Exterior building appearance (Painting & stucco repair)
 - Increase the focus on both energy and water conservation initiatives to reduce operating cost.
 - Lake Access and Boat Ramp improvements and Relocation
 - Park improvements
 - Security maintenance, new signage, cameras, security gate to Park access
 - Nature Trails
 - Remove Danger Trees in our common areas and assist members when possible
 - Remove diseased and danger trees in the park and remove stumpage
 - Replace old playground equipment with current safety standards
- 2) At a minimum budget \$2,500.00 per calendar year into our **House Account**, Henceforth is referred to as our **Capital Improvement Fund Reserve Account**. This complies with Washington State laws.
- 3) Maintain our Contractual agreements for lawn care and facility cleaning needs during this 5-year plan.

Overview

To avoid creating a financial hardship for the association, and the need for immediate large homeowner special assessments, the Board of Directors believes it is best to address these issues over the next 4 years in stages with a “pay as you go” approach. While this approach will mean the some issues will not be addressed as quickly as we might like, it will allow us to prioritize those improvements that are most critical to the community and begin working on them this year.

This “pay as you go” approach also means that our association fees will not be reduced anytime in the near future. As fellow homeowners, the board shares the community’s interest in lowering association fees; however, an immediate lowering of fees will not allow us to proceed with these improvements in a timely manner. In June 2012, the board voted to keep homeowner association fees at current levels for 2013. Based on current infrastructure needs, we do not anticipate any change for the duration of this 5-year plan. We will continue to make every attempt to improve operating efficiency so that more

money can be devoted to completing the larger projects needed to keep our community moving forward. We will do this by continuing to evaluate all service contracts, reduce cost, and eliminate waste without compromising service to the community wherever possible.

Our ability as a community to implement this plan is based on certain specific assumptions and projections regarding occupancy, the collection of HOA fees, and our understanding of the community's infrastructure needs as they exist today. Should these projections change, or unforeseen expenses arise, the board will revise this plan as needed to keep Sunset Sands Community Association moving forward.

This may include the need for extending the timeframe for completion of certain projects and or seeking other means of financing these improvements. In any case, the board will make every effort to achieve these goals without the need for large special assessments whenever possible.

Assumptions of Plan

- 1) We will maintain lot assessment fee's within the next 72 months.
- 2) We will make improvements as necessary for our heating and cooling system that will reduce the utility and repair costs associated with it and prolong its useful life.
- 3) We will reduce overall community operation and maintenance costs as much as possible and maintain operations within our approved budget.
- 4) We will increase energy efficiency in our facilities through community cooperation and education programs
- 5) Replace Old Playground Equipment to meet ADA and current safety standards

Reserve Account Timeline

Stage 1 - December 1, 2012 – June 30, 2014

Capital Improvement projects Identified from Annual Reserve Study

- 1) Begin replacement of Clubhouse roof, decking and support floor joists
(May Carry Over)
- 2) Repair/replace bridge railing and decking
- 3) Replace playground equipment
- 4) Remove/Replace diseased trees in park
- 5) Remove Hazard Tree's in our Green Belts
- 6) Pour cement walkway from parking lot to restrooms
- 7) Replace Security System with wireless CCD security cameras

Stage 2 - July 1, 2014 – June 30, 2015

- 1) Repair/ grade and gravel Park roads
- 2) Upgrade Park Gate Phase 1 (set aside funding)
- 3) Open up South Park and add baseball diamond
- 4) Maintenance on Security System
- 5) If possible add dry hydrant at our water front for fire protection
- 6) Paint facilities Phase 1 (Set painting priorities)
- 7) Repair Fire Place in Clubhouse
- 8) Develop Nature Trails on the Southwest portion of our undeveloped park property.
- 9) Maintain o Emergency Account under our Capital Improvement Fund

Stage 3 – July 1, 2015 – June 30, 2016

- 1) Replace Kitchen Appliances Stove and refrigerator
- 2) Add Microwave Oven
- 3) Replace Barbeques in park
- 4) Open up lake front for new boat ramp (phase 1 County Permit's EA etc)
- 5) Clear an area for a water blather to increase water flow
- 6) Work with WIFI companies to grant easements and bring in additional feeds.
- 7) Hire an arborist to assess park and greenbelt tree's
- 8) Maintain an Emergency Account under our Capital Improvement Fund

Stage 4 – July 1, 2016 – June 30, 2017

- 1) Repair/grade and gravel park roads
- 2) Replace Park Gate (Phase 2 Permit and request of bid)
- 3) Develop a nature trail on the South end of park boundary
- 4) Paint Facilities (Phase 2 Complete painting)
- 5) Stain bridge and picnic tables
- 6) Clean/Repair or Replace Clubhouse carpet
- 7) Maintain an Emergency Account under our Capital Improvement Fund.

Stage 5- July 1, 2017 – June 30, 2018

- 1) Develop Shorty Island with trails and rest benches
- 2) Upgrade Septic System at Park Restrooms
- 3) Repair/Replace bathroom fixtures
- 4) Repair/ Replace Restrooms Roof
- 5) Clean or replace Clubhouse fireplace Chimney

Budget

Phase 1- 2012 – 2014.....	\$28,500.00
Phase 2 – 2014 – 2015.....	\$15,000.00
Phase 3 – 2015 – 2016.....	\$17,000.00
Phase 4 - 2016 – 2017.....	\$25,000.00
Phase 5 – 2017 – 2018.....	\$22,000.00
5 Year Estimated Budget Total:	\$107,500.00

Projected Revenues for 5 Year Plan:

Over 5 Years

1) Maintenance Budget after contractors and supplies.....	\$112,500.00 *
2) Hazard Tree Removal Revenues after taxes.....	\$ 6,000.00
3) Rental of Clubhouse.....	\$ 5,000.00
4) Fines and fee’s	\$ 2,000.00
5) Annual \$2,500.00 into Capital Improvement Fund.....	\$64,000.00
Projected Total:	\$189,500.00

*This is based on a \$22,500 annual cost savings in maintenance

Plan Maintenance

The Board of Directors shall review and amend this plan on an annual basis. Our membership shall have an opportunity to make comments, recommendations and vote on this plan at our annual meeting. The plan’s priorities are subject to change when conditions warrant and will require a majority vote from the Board of Directors.

Every year complete a visual inspection and incorporate findings into our 5 year reserve account. This 5 year plan can be updated annually if needed. Every 5 years from the date of adoption a new plan should be developed and posted on the Associations webpage.

Emergency Fund Use from Reserve Account

These funds are to be used for paying insurance deductibles for any damages sustained to our facilities, rental equipment, and owned equipment and to our common areas. This fund is also available to match disaster assistance grants from FEMA. The Emergency Fund is also for legal fees, court costs and for litigation against Sunset Sand Community Association, its officers and board members.

Adopted by Board of Directors this _____ Day of _____, 2013

President of Sunset Sands Community Association

Vice-President of Sunset Sands

Treasurer of Sunset Sands Community Association

Secretary Sunset Sands Community Association

Director of Environmental

Director of Maintenance

Director of Development

Sunset Sands Community
Association Seal