

**ESTRELLA VILLAGE MANOR HOMEOWNER ASSOCIATION**

**COST SAVINGS EFFORTS TAKEN BY THE BOARD OF DIRECTORS &  
MANAGEMENT COMPANY**

**January, 2006**

1. Utilities

\* The Board volunteered their time to uncover sprinklers watering missing plants so they could be capped off and save water.

2. Grounds/Landscaping

\* Board & Management obtained additional landscaping bids to reduce the \$2,900 monthly base fee to \$2,150 or an annual savings of \$18,000

3. Management

\* Board obtained bids to reduce the monthly fee from \$1,005 (which was scheduled to increase even more) to \$750 or annual savings of \$6,120

4. Establishment of reserve fund

\* This fund was finally established by funding \$6,350 in 2005. This fund will be increased by transferring \$1,150 per month.

**NARRATIVE COMMENTS**

While the Board was successful in making some real headway in terms of reducing the major contracts in place, the Board is being financially prudent by taking the additional actions:

1. Since the homeowners are now 100% responsible for payment of monthly fees (there are no longer any developer subsidies), there are some delinquent accounts. The net delinquency at 12/31/05 was \$4,178.77. The Board and management company have instituted procedures to collect any outstanding fees, while trying to balance the added expense of incurring legal fees.

2. The lift station has been abandoned, but will ultimately need to be physically removed. This is a very time consuming and costly project that involves dealing with the City and the County. Although the Board is pursuing other potential remedies, we ultimately may have to have funds available should the Association be forced to pay for these costs.

3. Our common areas should have been covered with 2 inches of granite. Obviously, that did not occur. The management company has obtained bids to replenish these areas from five different landscaping companies. The costs range from \$100,000 to \$200,000. While the Board is pursuing other potential remedies with respect to this as well, if possible, the Board would like to start a program to start replenishing areas. The Board feels that it is in everyone's best interest to do so to protect property values.

4. The monthly fee was increased from \$42.90 per month to \$47.19 or \$4.29 per month per household or \$51 per year. It is our responsibility to take precautions to plan ahead for the issues we face as a community.