Capital for Improving and Maintaining

Common Areas

In

East Lake View Estates

Process & Procedures

There are two kinds of capital activities envisioned for the Common Areas in East Lake View Estates. They are capitalized maintenance and Improvements (additions not existing).

Capitalized Maintenance - Projects that are considered a special event or non-routine maintenance. These projects are intended to maintaining existing capabilities within the common areas. Examples might include pond maintenance, street light replacement, and major landscaping. Reserve funds, from the HOA budget, are used for capitalized maintenance. The amount of money held in the reserve fund is initially determined by the Finance Committee and approved by the board and ultimately decided by the HOA membership via the Budget Approval Process.

Improving Common Areas would be to add new capability (not existing) to the existing common areas within the East Lake View Estates. Examples might include adding land to the common area, new landscape areas, building trails, pond aeration, modifying eyebrows, etc. Funds to cover these kinds of projects require a special assessment.

Project Milestones for Commons Area Improvements Requiring Capital

* Project Inception – The inception of a project can originate from a homeowner, committee, board or an outside influence like the HOA insurer or government.
* Project Approval – Board support for an improvement project must be sought before generating detailed requirements and specifications. The first step is to make a proposal the board. A conceptual description (scope) of the project and benefits to the homeowners would be part of the project proposal. After a discussion and positive vote by the board would recommend going to the next step of the project.
* Project Requirements and Specifications – Creating a set of project requirements and specification is the next task. Project input would come from homeowners, local government, similar communities, contractors and suppliers. Prior to the next board review a rough order estimate (ROE) would be generated. The ROE would have an accuracy of +/- 20%.
* Project review –
  + Presented to the HOA board.
  + Presentation to the community at an open forum meeting and web site.
* Straw Vote – A nonbinding vote is taken to determine if there is sufficient support for the project.
* Actual Vote – A ballot style vote would be taken. Two Thirds (66%) approval of the HOA Membership is required to pass a special assessment for funding the project. The HOA treasurer would collect funds.
* Competitive Bidding Process – A minimum of three service providers would receive, by mail, detailed requirements and specifications. Land acquisitions would be the exception. Where possible a closed bid process would be followed. Should additional information be necessary for the project to move forward at least two people should be present the meetings.
* Awarding the Bid – The HOA board would review the bid information prior to awarding the contract.
* Project Monitoring – The project team would monitor the progress and make payment recommendations to the treasurer.