

Dear BML Board Members,

Attached please find the 2020 Budget as approved at the 12/5/19 HOA Annual Meeting. ASAP will post the approved Budget and this covering email on the HOA website for all Owners. ASAP also will send Q1 2020 invoices to the Members next week.

As discussed, and approved at the Annual Meeting, the key Budget points are:

1. HOA Dues: no increase.
2. HOA Reserve: \$14,000 increase. The increase was approved both for 2020 and 2021. It reflects the need to rebuild the Reserve after the planned \$37,000 2019 garage fireproofing work funded 100% from Reserve, plus the surprise requirement in November 2019 to replace one of the sewer main lines. The sewer line replacement cost just under \$16,000 and was funded approximately \$5,000 from the 2019 Repair and Maintenance Budget and \$11,000 from Reserve.
3. Residential has 3 increases:
 - a. TMVOA cable and internet.
 - b. TMVOA dues were increased during 19 and again for 20. Please note, for any Residential Owners changing from Efficiency Lodge unit zoning to Lodge zoning, there will be an additional TMVOA annual dues increase.
 - c. Hallways Capital Improvement of an estimated \$39,000 was approved by approximately: 61% of the Residential Owners, 12% voted no and 27% did not vote. The estimated cost will be billed quarterly throughout 2020. After a Residential Owners' Committee firms up material choices and approves bids, the work will be done in Q4 20 off season.
4. Insurance. We have secured improved coverage with a \$6,800 decrease in annual premium cost. The savings has been allocated to increase the 2020 Repairs and Maintenance budget
5. Repairs and Maintenance requires a few comments and includes the usual unknowns:
 - a. Snow Removal. We have budgeted \$10,000 which would be the 2nd largest amount ever spent. However, we spent \$14,000 in 2019...a combination of near record snow and increased area snow removal labor rates. Per standard practice, we'll see where actual costs are in April and adjust other Repair and Maintenance goals accordingly.
 - b. Wood repair has been guesstimated at \$6,000. In Spring, a specific scope of work and estimates will be obtained, and a work plan decided upon.
 - c. Sewer line replacement. It is unknown today when the second line will need replacement. As soon as this information is available, it will be shared. As agreed at the Annual Meeting, it is our hope and present intention to complete 2020 Repair and Maintenance expenses below budget such that some additional funds can be available for the second sewer line replacement.
 - d. Boiler repair. Controlled Hydronics had recommended that we purchase some replacement parts that cost \$1,600. The parts are not immediately needed but require 7-10 days to receive. The parts have been ordered so that IF needed, any service outage would be for a few hours' vs a week+. This increases 2020 Boiler to \$3,100 from 19's \$1,500.

My thanks to ASAP and manager Judi Balkind for their assistance. If you have questions or comments on any of the above, please let me know.

Best wishes for a joyful and snowy holiday.
Regards,
Len

Blue Mesa Lodge Association Approved 2020 Budget

	2018 Actuals	Jan - Oct 19 Actuals	2019 Approved Budget	2020 Approved Budget
Ordinary Income/Expense				
Income				
Annual HOA Dues	101,043.06	108,329.34	108,329.38	108,329.38
Assessment Reserve	17,999.96	19,999.96	20,000.00	34,000.00
Distribution, Residential	62,497.33	68,285.35	68,285.20	108,690.00
Interest & Penalty Income	141.85	44.04	0.00	0.00
Reimbursed Expenses	0.00	2,292.27	0.00	0.00
Total Income	<u>181,682.20</u>	<u>198,950.96</u>	<u>196,614.58</u>	<u>251,019.38</u>
Gross Profit	181,682.20	198,950.96	196,614.58	251,019.38
Expense				
Reserve Funding	18,000.00	15,000.00	20,000.00	34,000.00
HOA Insurance	16,495.52	14,873.20	17,848.00	11,007.00
Garage Assessment	4,661.20	4,826.36	4,826.38	4,826.38
Alarm / Fire System	5,490.91	4,254.90	5,400.00	5,400.00
HOA - Shared Costs				
Common Gas	1,753.38	1,448.51	1,672.00	1,672.00
Electricity	9,464.00	8,351.20	10,371.00	10,371.00
Trash Removal	3,812.47	2,860.09	3,500.00	3,500.00
Garage/HOA Cleaning	5,160.95	4,595.00	5,320.00	5,320.00
Total HOA - Shared Costs	<u>20,190.80</u>	<u>17,254.80</u>	<u>20,863.00</u>	<u>20,863.00</u>
Maintenance and Repairs				
Boiler Expense	1,409.04	0.00	1,500.00	3,100.00
Elevator Maintenance	5,202.58	5,435.92	5,202.00	5,440.00
Exterior				
Chimneys	0.00	0.00	1,500.00	750.00
Gutter cleaning	0.00	0.00	500.00	750.00
Misc Repairs/Maintenance	2,948.29	3,354.08	3,500.00	3,444.00
Wood Repair	0.00	0.00	0.00	6,000.00
Stucco & Other Exterior Repairs	6,657.40	0.00	0.00	0.00
Total Exterior	<u>9,605.69</u>	<u>3,354.08</u>	<u>5,500.00</u>	<u>10,944.00</u>
Building Repairs				
Interior TBD	0.00	907.21	8,998.00	2,544.00
Misc Building Repairs	7,041.24	1,731.49	1,500.00	4,000.00
Plumbing repairs	2,485.22	0.00	2,000.00	2,000.00
Total Building Repairs	<u>9,526.46</u>	<u>2,638.70</u>	<u>12,498.00</u>	<u>8,544.00</u>
Snow Removal	1,262.50	14,270.00	7,300.00	10,000.00
Misc Interior Repairs & Maint.	1,786.66	0.00	0.00	0.00
Total Maintenance and Repairs	<u>28,792.93</u>	<u>25,698.70</u>	<u>32,000.00</u>	<u>38,028.00</u>
Office Supplies/Postage/Registr	193.92	189.69	175.00	175.00
Professional Fees				
Management Fee	14,400.00	12,000.00	14,832.00	15,275.00
Accounting	11,832.00	10,703.08	12,385.00	12,755.00
Total Professional Fees	<u>26,232.00</u>	<u>22,703.08</u>	<u>27,217.00</u>	<u>28,030.00</u>
Residential Expense				

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	<u>2018 Actuals</u>	<u>Jan - Oct 19 Actuals</u>	<u>2019 Approved Budget</u>	<u>2020 Approved Budget</u>
Ski Locker Carpet Replacement	0.00	700.00	1,500.00	0.00
Hallway Capital Improvement	0.00	0.00	0.00	39,000.00
Deck Drain Cleaning	0.00	1,040.00	800.00	1,050.00
Carpet Cleaning	150.00	0.00	0.00	0.00
Cable TV/Internet	17,622.60	15,663.00	17,622.60	18,800.00
Electricity	14,196.00	12,526.80	15,556.00	15,555.00
Gas	2,630.10	2,172.74	2,603.60	2,600.00
Mountain Village Condo Dues	3,024.00	3,780.00	3,024.00	4,360.00
Trash Removal	5,713.73	4,290.14	5,630.00	5,630.00
Water	11,977.20	10,727.60	13,896.00	13,895.00
Window Washing	0.00	2,050.00	1,900.00	2,050.00
Residential Laundry	801.75	0.00	450.00	450.00
Residential Cleaning	6,319.05	4,140.00	5,303.00	5,300.00
Total Residential Expense	<u>62,434.43</u>	<u>57,090.28</u>	<u>68,285.20</u>	<u>108,690.00</u>
Total Expense	<u>182,491.71</u>	<u>161,891.01</u>	<u>196,614.58</u>	<u>251,019.38</u>
Net Ordinary Income	-809.51	37,059.95	0.00	0.00
Other Income/Expense				
Other Expense				
Garage Fireproofing	0.00	37,176.60	0.00	0.00
Total Other Expense	<u>0.00</u>	<u>37,176.60</u>	<u>0.00</u>	<u>0.00</u>
Net Other Income	<u>0.00</u>	<u>-37,176.60</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u><u>-809.51</u></u>	<u><u>-116.65</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>