

## Shearwater FY 12 Budget Proposal

The Shearwater 2012 fiscal year budget proposal results in a 10% increase in annual fees. The primary reason for this is to fund needed repair and replacement work through the Reserve Fund. Currently, expenditure of Reserve Account funds is occurring at a rapid rate because of the fact that many Shearwater components are reaching end of useful life:

- a. Roofs
- b. Decks and doors(≈ \$500k in total) replacement of which are occurring at an accelerated rate over that suggested by the Miller-Dodson (M/D) Study

We have also been spending an average of \$40k per year on contingencies items not identified in the M/D Study:

- c. Sprinkler System
- d. Building Repair
- e. Other

In addition, we find ourselves in need of coming up with an estimated \$125k to paint our buildings, which was not included in the M/D study, because of IRS rules that say "Painting" can not be paid for by Community Reserve Account funds.

This budget trims \$135,000 from planned work in 2012 by delaying approximately one half of the planned deck replacement work next year and by reducing the amount of siding replacement work that we undertake during the painting job.

This approach may turn out to be inadequate if painting, and siding repair and replacement costs have been underestimated, or if delaying deck work turns out to be impossible for safety reasons.



