

## **Reserve Study**

### **Legal Expenses, Fire Mitigation, Snow Removal and Noxious Weed Control**

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Under ESRPOA Policy #9, Reserve funds may be created and funded. These reserve funds provide a source of financing for future unexpected expenses that exceed the annual budget. A Reserve study is required to create these Reserve Funds, and this document represents the necessary reserve study for legal expenses, fire mitigation, snow removal and noxious weed control reserve accounts. These reserve studies shall be updated approximately every 5 years.

These reserve funds shall be funded by transferring excess general funds from the 2017-2018 budget, or funded in the fall assessment of 2019, as determined by a vote of the general members at the 2018 annual meeting, or at any other appropriate time.

#### **Legal Expense Reserve Study**

A reserve fund shall be created for legal expenses. This reserve fund will serve as a financial buffer if actual legal expenses ever exceed the annual budget.

This legal expense reserve fund should have a long running balance of \$10,000, plus/minus \$3000.

#### **Fire Mitigation Reserve Study**

A reserve fund shall be created for fire mitigation expenses. This reserve fund will serve as a financial buffer if actual fire mitigation expenses ever exceed the annual budget. As of July 2018, the controlling resolution for ESRPOA partnering with homeowners to reduce fuel loads around common roads is found here: <http://elkstreamranch.org/directorsMinutes/2014/Annual-meeting/CWPP-Continuing-Funding-resolution-6.pdf>.

This fire mitigation reserve fund should have a long running balance of \$10,000, plus/minus \$3000. As more fuel reduction is accomplished, this fund balance should be reevaluated.

## Snow Removal Reserve Study

A reserve fund shall be created for snow removal expenses. This reserve fund will serve as a financial buffer for years that actual snow removal expenses ever exceed the annual budget. This may happen from time to time when we have heavy snow years. For years where snow removal expenses exceed the Annual Budget and the Snow Removal Reserve, special assessments will be available for additional financing.

This snow removal reserve fund should have a long running balance of \$20,000, plus/minus \$5000. As experience is gained with regards to current year-round residents at the top of G3, this snow removal reserve fund balance should be reevaluated.

## Noxious Weed Control Reserve Study

A reserve fund shall be created for noxious weed control expenses. This reserve fund will serve as a resource if actual weed control expenses ever exceed the annual budget. This may happen from time to time due to the need to create or update a weed plan, or due to the unpredictable nature of noxious weeds. The ESRPOA Procedure for noxious weed control is located here:

<http://elkstreamranch.org/ccrDocs.html>.

This noxious weed control reserve fund should have a long running balance of \$5,000, plus/minus \$2000.