

2027 Start - Pineview HOA – Siding Cash Flow Plan

HOA's Working Cash	2027	2028	2029	2030	2031	2032	2033	Totals
Member Monthly Dues	393	412	433	455	477	501	526	\$3,197
Member Annual Dues	4712	4948	5195	5455	5728	6014	6315	\$38,368
HOA Annual Revenue	414691	435426	457197	480057	504060	529263	555726	\$3,376,419
Reserve Fund On 12/31/2026	562302							
Annual Addition To Reserves	135000	135000	135000	135000	135000	135000	135000	\$945,000
Reserve Fund Cumulation	697302	832302	967302	1102302	1237302	1372302	\$1,507,302	\$1,507,302

Siding Project Cash Flow

Reserve Fund @ 2027 Start	697302							
Less MEI Siding Cost	164500	172725	181361	190429	199951	209948	220446	\$1,339,360
Year-End Reserve Fund	532802	495077	448716	393286	328336	253387	167942	

Starting Project Reserve Fund	\$697,302
Ending Project Reserve Fund	\$167,942
Total Revenue During Project	<u>\$3,376,419</u>

Notes

1. Siding costs increase 5% per year.
2. HOA dues increase 5% per year.
3. Ending 2025 Reserve Fund \$427,302
4. Monthly Reserve Fund addition during 2025 was \$11,250 (Excluding Interest Receipts)
5. Audit subtracts total siding costs from cumulative reserve funds.
6. Project starts in 2027 with an estimated \$697,302 in reserve funds.
7. Project ends in 2033 with an estimated \$167,942 remaining in reserve funds.
8. This cash flow plan does not reflect the 5% additional reserve funds that should be added each year as dues increase 5%.
9. $135000 * 1.05 = 141750$ or 6750 additional each year. This is \$81000 in Reserves as a contingency fund during the project.
10. If funds get short, siding can be reduced to two quad buildings if needed in a given year,
11. Because the project cash flows, no approval from HOA members is required by the HOA board of directors.
12. No special assessments or changes to the HOA's Articles and Bylaws are needed.

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Notes, Continued

13. Project uses Minnesota Exteriors only three miles away that can handle all the HOA's siding needs, including Ice Dam issues.
14. Monthly dues are multiplied by 12 to determine each member's annual HOA dues payments
15. HOA annual revenue is determined by multiplying annual member payments by 88.
16. Total Revenue during project is determined by adding up annual HOA revenue.

Scope Of Siding Project**

1. New siding (40 colors available to choose from)
2. House wrap (Barricade)
3. Aluminum soffit and fascia (Edco)
4. 5 inch aluminum gutters (Edco)
5. Everything our buildings need including new eave vents to increasing ventilation to help prevent ice dams.
6. Pay MEI for each quad building after it is completed and passes inspection.
7. See attached estimate for 8303 Oakview Court for additional information.
8. Three quad buildings will get new siding each year for seven years. MEI cost estimate is based on 8303 and 8329.

What Siding Plan Means

1. Our monthly dues will increase from \$393 in 2027 to \$526 per month in 2033.
2. Our annual HOA payments will increase from \$4,712 in 2027 to \$6,315 in 2033.
3. The spreadsheet necessitates a 5% annual increase in both member dues and also siding costs.
4. Starting in 2027 with the siding project allows the reserve fund to increase for cash flow purposes.

HOA Board Concerns

1. There is no need for changes to HOA Articles or Bylaws as suggest by Omega Management.
2. There is no need for creating one or more special assessments.
3. There is no need to create a line of credit for the HOA of \$2 million.
4. There is no need to assess each homeowner \$20,000 for new siding.
5. Total siding costs come in at \$1,339,360 instead of over \$2 million using Ryan as the board proposes.
6. Ryan Construction in Minneapolis is a General Contractor that uses subcontractors like MEI for siding.
7. MEI is an 80-year-old siding contractor owned by a single family in its 3rd generation that can finance our new siding.
8. MEI will fund 100% of each quad building and will accept payment for each building as it is completed.
9. There are enough resources and flexibility in this cash-flow plan to make it the best choice for homeowners.