

VILLAGE MEWS CONDOMINIUM ASSOCIATION
SOUTH ORANGE, NJ 07079

Managing Agent:
The Regency Management Group, LLC.
Professional Management
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December 3, 2014

RE: **2015 Budget**

Dear Homeowner,

This letter begins with the annual budget and maintenance fee information that you receive each year at this time.

2015 Budget and Maintenance Fee

Enclosed find a copy of the approved 2015 Budget for the Village Mews Condominium Association and accompanying Budget Notes. After reviewing current contracts, finances, expenses and needs of the community, the Board of Trustees chose not to increase the monthly maintenance fees which will remain **\$352** in 2015.

If you do not utilize any debit program through the Management Company and/or Smartstreet.com you will soon be receiving your monthly payment coupons for January through December 2015. Please remember to make your monthly maintenance fee checks payable to the **Village Mews Condominium Association in the amount of \$487** (\$352 Maintenance Fee + \$135 Special Assessment) and mail it with the coupon. *Remember that Smartstreet.com payments are only scheduled for 12 payments so you may need to update your profile to include another 12 payments for 2015.*

If you have any questions regarding these monthly maintenance fee payments, please contact the management company, Regency Management Group, Rose Clayton, at (732) 364-5900 or via email rclayton@regencymanagementgroup.biz.

Sincerely,

Village Mews Board of Directors

VILLAGE MEWS
2015 FINAL BUDGET
BASED ON 75 UNITS
75

G/L #

	2014 APPROVED BUDGET (Annual)	2014 PER UNIT COST (Monthly)	2015 APPROVED BUDGET (Annual)	2015 PER UNIT COST (Monthly)
INCOME				
4001 MAINTENANCE FEES	316,800	352.00	316,800	352.00
4010 DISCOUNT ON QUARTERLY MAINTENANCE	(500)	(0.56)	(500)	(0.56)
4037 OTHER INCOME	200	0.22	1,625	1.81
4080 PARKING LOT INCOME	5,000	5.56	5,000	5.56
4160 LATE FEES	600	0.67	600	0.67
4315 DEFERRED MAINTENANCE INTEREST	20	0.02	20	0.02
4316 DEF. DEFERRED MAINT INTEREST	(20)	(0.02)	(20)	(0.02)
4350 INVESTMENTS - CAPITAL RESERVE INTEREST	25	0.03	25	0.03
4351 INVESTMENTS - DEFERRED RESERVE INTEREST	(25)	(0.03)	(25)	(0.03)
4410 MUNICIPAL REIMBURSEMENTS	6,500	7.22	7,000	7.78
4421 CAPITAL CONTRIBUTIONS	3,300	3.67	4,000	4.44
4495 CLUBHOUSE RENTAL	300	0.33	250	0.28
SPECIAL ASST. JAN 14	121,500	135.00	121,500	135.00
SPECIAL ASST	0	0.00	0	0.00
PRIOR YEAR SURPLUS/(DEFICIT)	0	0.00	0	0.00
TOTAL INCOME	453,700	504.11	456,275	506.97
INSURANCE EXPENSES				
5000 INSURANCE	29,000	32.22	29,000	32.22
INSURANCE DEDUCTIBLE	5,000	5.56	5,000	5.56
5029 INSURANCE SERVICE CHARGE	0	0.00	0	0.00
TOTAL INSURANCE EXPENSES	34,000	37.78	34,000	37.78
ADMINISTRATIVE EXPENSES				
5070 POSTAGE	500	0.56	400	0.44
5072 PROCESS CERTIFIED LETTERS	50	0.06	25	0.03
5090 PHOTOCOPIES	900	1.00	900	1.00
5160 ADMINISTRATIVE EXPENSE	500	0.56	500	0.56
5200 AUDIT EXPENSE	2,000	2.22	2,000	2.22
5210 GENERAL LEGAL EXPENSE	11,000	12.22	12,000	13.33
5212 COLLECTION LEGAL	2,000	2.22	2,000	2.22
5230 ENGINEERING	5,000	5.56	5,000	5.56
5280 NJ ANNUAL REPORT	25	0.03	25	0.03
5290 MANAGEMENT FEES	28,126	31.25	28,126	31.25
5310 FEDERAL INCOME TAXES	500	0.56	0	0.00
5320 BAD DEBT EXPENSE	0	0.00	0	0.00
5380 NJT LEASE	2,418	2.69	2,418	2.69
5430 STORAGE	0	0.00	0	0.00
TOTAL ADMINISTRATIVE EXPENSES	53,019	58.91	53,394	59.33

**VILLAGE MEWS
2015 FINAL BUDGET
BASED ON 75 UNITS
75**

G/L #		2014 APPROVED BUDGET (Annual)	2014 PER UNIT COST (Monthly)	2015 APPROVED BUDGET (Annual)	2015 PER UNIT COST (Monthly)
	OPERATING EXPENSES				
6065	LAWN CARE & IRRIGATION	12,000	13.33	12,000	13.33
6090-1	LANDSCAPING REPAIRS/TREE	5,000	5.56	5,000	5.56
6130-0	TRASH REMOVAL	10,500	11.67	10,500	11.67
6150-0	SNOW CLEARING	17,000	18.89	20,500	22.78
6200-1	SPRINKLER R&M	500	0.56	500	0.56
6220-0	GENERAL R & M	12,000	13.33	12,000	13.33
6250-0	MAINTENANCE SUPPLIES	1,500	1.67	1,200	1.33
6290-0	EXTERMINATING EXPENSE	1,200	1.33	1,200	1.33
6300-0	PLUMBING REPAIRS	15,000	16.67	15,000	16.67
6410-0	CONSTRUCTION REPAIRS	15,000	16.67	15,000	16.67
6440-0	EQUIPMENT MAINTENANCE	500	0.56	500	0.56
	TOTAL OPERATING EXPENSES	90,200	100.22	93,400	103.78
	UTILITY EXPENSE				
7510-0	UTILITIES - ELECTRICITY	17,000	18.89	16,000	17.78
7520-0	UTILITIES - WATER/SEWER	3,000	3.33	3,000	3.33
	TOTAL UTILITY EXPENSES	20,000	22.22	19,000	21.11
	RECREATION & CLUBHOUSE EXPENSES				
8081-0	HOLIDAY ACTIVITIES	500	0.56	500	0.56
	TOTAL RECREATION & CLUBHOUSE EXPENSES	500	0.56	500	0.56
	OTHER EXPENSES				
8560	DEFERRED MAINTENANCE	30,000	33.33	30,000	33.33
8620	REPLACEMENT RESERVES	104,481	116.09	104,481	116.09
	RESERVE PAYBACK - SPECIAL ASSESSMENT	121,500	135.00	121,500	135.00
8900	CONTINGENCY	0	0.00	0	0.00
	TOTAL OTHER EXPENSES	255,981	284.42	255,981	284.42
	TOTAL EXPENSES	453,700	504.11	456,275	506.97
	NET INCOME OVER EXPENSES:	0	0.00	0	0.00

VILLAGE MEWS CONDOMINIUM ASSOCIATION 2015 BUDGET NOTES

INCOME

- 4001** **MAINTENANCE FEES:** Monthly Maintenance Fees based upon \$352 per unit per month for 75 units.
- 4010** **DISCOUNT ON QUARTERLY MAINTENANCE:** The Association offers a discount of \$15 per quarter to owners who pay maintenance fees on a quarterly basis, in advance, on the first day of each quarter. It is anticipated that eight (8) owners will take advantage of the discount program. Owners who opt to pay quarterly must do so for the entire year.
- 4160** **LATE FEES:** The Association charges a \$35 Late Fee for each month that the Maintenance Fee payment is received after the 10th day of the month and this line item anticipates approximately fourteen (17) units will be assessed over 12 months.
- 4315** **DEFERRED MAINTENANCE INTEREST:** Interest received on the Association's Reserve Account with UBS Financial Services, Inc. Based on the average monthly balance, it is anticipated that the annual interest will be \$20.
- 4316** **DEFERRED INTEREST – DEFERRED MAINTENANCE:** The interest on the Deferred Maintenance is deferred back into the Deferred Maintenance Fund to account for inflation on maintenance costs.
- 4328** **CAPITAL CONTRIBUTION INTEREST:** Interest received on the Association's contributions to its Capital Replacement Reserve with UBS Financial Services, Inc.
- 4329** **CAPITAL CONTRIBUTION DEFERRED INTEREST:** The interest on the Capitol Contribution is deferred back into the Capitol Replacement Reserve, and will be considered part of the next year's contribution to that reserve.
- 4350** **RESERVE INTEREST INCOME:** Interest received on the Association's Reserve Account with Association's Reserve Account with UBS Financial Services, Inc. Based on the average monthly balance, it is anticipated that the annual interest will be \$25.
- 4351** **RESERVE DEFERRED INTEREST:** The interest on the Reserve Fund is deferred back into the Capitol Replacement Reserve, and will be considered part of the next year's contribution to that reserve.

4421 **CAPITAL CONTRIBUTION:** A Capital Contribution of four (4) months maintenance is collected when a unit is sold. It is anticipated there will be two - three (2-3) resales in 2015. The Capital Contribution is a non-refundable, non-transferable contribution, three (3) months to the Operating fund, and one (1) month to the Reserve fund.

4495 **CLUBHOUSE RENTAL:** Income derived from Great Room rentals. It is anticipated that the Great Room will be rented two - three (2-3) times at \$100 per rental. There is also \$300 refundable security deposit necessary to rent the Room.

ADMINISTRATIVE EXPENSES

5000 **INSURANCE:** The Association carries insurance policies for General Liability, Worker's Compensation, All Risk Building Coverage and Directors & Officers Liability Insurance. The policies are brokered through O'Gorman & Young. The policy periods run from February 2 to February 2. It is anticipated that premiums will total approximately \$29,000 for 2015.

5070 **POSTAGE:** The Association pays for all postage used for all mailings of general correspondence, financials, and Board packets. This amount is based on the average cost spent per month in 2014. It is anticipated that postage will cost approximately \$30-35 per month.

5072 **CERTIFIED LETTERS:** The cost of preparing and mailing information that must be sent certified. (i.e. delinquent letters, legal documents, etc.). In addition, certified letters are billable at \$7 each for final notices to delinquent homeowners, or homeowners in receipt of violation notices, etc.

5090 **PHOTOCOPIES:** Photocopies are charged a flat rate of \$75 per month for general correspondence and Board Reports.

5160 **ADMINISTRATIVE EXPENSE:** Costs associated with non-routine services, or any out of pocket expenses not directly attributable to another line item.

5180 **BANK CHARGES:** Fees charged by various banks for the Association's accounts. The charge is approximately \$4 per month.

5200 **AUDIT:** The Association engages Synkowski & Normann, Certified Accountants to perform a certified audit of the Association books on an annual basis. The final audited financials are available to all homeowners. It is anticipated that fees for the 2014 Audit will be approximately \$2,000.

- 5210** **LEGAL:** The Association retains the firm of the Law Offices of Arnold Calabrese on a quarterly retainer of \$2,750 per quarter. The Association attorney assists in contract preparation and review, review and modification of the governing document, collection of delinquent accounts, and any other legal matters coming before the Association. The Association's attorney also attends twelve (12) Board Meetings per year.
- 5230** **ENGINEERING:** The Association engages the services of an engineering firm to assist in drawing specifications for major repairs and for updating the Capital Replacement Reserve Plan. The current plan was effective January 1, 2010 and should be updated again in 2015.
- 5280** **NI ANNUAL REPORT:** The State of New Jersey requires the filing of an annual report to maintain corporate status. There is a \$25 filing fee.
- 5290** **MANAGEMENT FEES:** The Association retains The Regency Management Group, LLC, a professional management firm, to assist in the financial, administrative and physical property management of the Village Mews Condominium Association. This contracted fee includes customer service and management personnel, accounting and financial services, and the professional managers attendance at twelve (12) Board meetings. The fees for 2015 will be \$2343.83 per month
- 5380** **NJT LEASE:** Payment made to NJ Transit to lease the property located behind the garages, parallel to the NJ Transit railroad tracks. The payments for this lease through 2016 are as follows: \$1,043 (2002-2006), \$1,668 (2007-2011), \$2,418 (2012-2016)
- 5430** **STORAGE:** Fee associated with the storage of the Associations files that are required to be maintained for up to 7 years.

OPERATING EXPENSES

- 6065** **LAWN CARE & IRRIGATION:** Costs associated with the lawn care contract, which provide mowing, edging, pruning, and chemical applications for all lawn areas and regular mulch for the planting beds. The Association contracted with Landscape Maintenance Services through the 2017 season at a cost of approximately \$1,333.33 per month for nine (9) months.
- 6090** **LANDSCAPING REPAIRS:** Projected costs for shrub removal and replacement, re-seeding bare areas and other landscaping repairs and enhancements.

- 6130** **TRASH/RECYCLING EXPENSE:** The Association contracts with Waste Management for trash collection in the five (5) trash sheds and the Lower Lot Dumpster. Recycling is not included as it is one of the Superintendent's responsibilities. The approximate cost of this service is \$875 per month.
- 6150** **SNOW CLEARING:** Costs associated with snow clearing in the Lower Lot, the driveways, steps and walkways, and Mews Lane. The Association contracted with Landscape Maintenance Services for the 2015 season. In addition, the contractor will apply deicing agents on all paved areas, when required. The Township will provide minimal snow clearing services on Mews Lane. Snow is cleared when accumulations reach two or more inches and only with the approval of the Board of Trustees. It is anticipated that four (4) snowstorms will require clearing services at an average cost of \$5125 per storm.
- 6200** **SPRINKLER REPAIR:** Costs associated with repair necessary to the sprinkler system (i.e., sprinkler head replacement, etc.) based upon previous years' experience. It is anticipated that the repairs will cost approximately \$500 during the season.
- 6220** **GENERAL REPAIR:** Costs of general scheduled repairs that require outside contractor such as gutter repairs and cleaning, masonry work, etc.
- 6250** **SUPPLIES:** Projected cost of supplies and equipment utilized by the Superintendent in the fulfillment of his responsibilities.
- 6290** **EXTERMINATOR:** The Association treats the buildings, when needed, for wood destroying insects (i.e. termites, carpenter bees, carpenter ants) and for wasps, hornets, and bees. The exterminator also treats the buildings once per month for rodents.
- 6300** **PLUMBING REPAIRS:** Projected costs associated with unscheduled emergency plumbing repairs.
- 6410** **CONSTRUCTION REPAIRS:** Projected costs associated with unscheduled emergency repairs.
- 6440** **EQUIPMENT MAINTENANCE:** Projected Maintenance costs for Association-owned equipment, such as the snow blower, street sweeper, etc.

UTILITIES

- 7510 **UTILITIES-ELECTRICITY:** Projected cost of utilities for lighting throughout the Mews, and interior electrical service in the Commons Building. It is anticipated that electrical service will cost approximately \$1300 per month. The Township of South Orange reimburses a portion of this money for street lighting.
- 7512 **UTILITIES-WATER/SEWER:** Costs for water and sewer for the Commons building and irrigation. It is anticipated that these costs will average approximately \$250 per month.

RECREATION & CLUBHOUSE EXPENSES

- 8081 **HOLIDAY ACTIVITIES:** Projected costs associated with holiday parties planned by the Association's Social Committee.

OTHER EXPENSES

- 8560 **DEFERRED MAINTENANCE:** The Association is on a 3 to 4 year cycle for painting and staining of trim, decks and the clock tower. The contribution reflects our recent painting costs.
- 8620 **CAPITAL REPLACEMENT RESERVE:** Money set aside for the future replacement of sidewalks, pavement, shingles, etc. according to the reserve schedule as prepared by The Falcon Group. The reserve study was last updated January 1, 2010.
- 8900 **MISCELLANEOUS CONTINGENCY:** This represents total budget less Contributions to the Reserves. This amount is utilized to offset unexpected overages in any line item (i.e. Snow Clearing), and to maintain a functioning cash flow.