

November 30, 2018

VILLAGE MEWS CONDOMINIUM ASSOCIATION

To: All unit owners

Re: New method of paying your [charges/fees/dues] New Bank

Please be advised that effective January 1, 2019 our new bank will be Mutual of Omaha. Shortly, you will receive a coupon book that you will use to make your HOA assessment payments.

To assist you, we are very happy to offer you several convenient options to make payments.

Option 1. Online payments

Make payments via eCheck or card online at www.regencymanagementgroup.biz. Click on "Property Owners > Online Payments " and follow prompts from there. You can make a one-time payment or set up a recurring payment schedule.

Option 2. Mobile application payments

Download the app from [Google Play™](#) or the [App Store](#) - search for Property Pay

Option 3.

Mail your payment by simply placing your **CHECK AND COUPON** in the envelope provided, put a stamp on the envelope, and drop it in the mail. Please do not use staples or paperclips and do not fold your payment documents. Also, allow a few extra days for the mail to be received at our lockbox facility.

Option 4. Bill Payment Services Through Your Bank

Use bill payment services provided through your bank's online banking product (if available). When selecting this method of payment you must list the **Name of your Association, c/o RMG, Regency Management Group Inc., property account number, P.O. Box 98075, Phoenix, AZ 85038-8075** as the address for your payment. It is very important you list your complete account number, as it appears on your coupon.

Option 5.

ACH (Automated Clearing House): To select this option, please contact us to obtain an authorization form which will authorize us to process your assessment payment via an electronic ACH transaction. Return the completed form along with a voided check (not a deposit slip) in the envelope provided and we will do the rest. Your payment will be automatically withdrawn from the bank account as specified on the ACH authorization form.

We hope you share our enthusiasm about the payment options available to you. We appreciate the opportunity to support your needs and look forward to providing you value added services in the future.

If you have any questions, contact our Receivables Department at accounting@regencymanagementgroup.biz or the telephone number listed below or your property Manager.

VILLAGE MEWS CONDOMINIUM ASSOCIATION
SOUTH ORANGE, NJ 07079

Managing Agent:
RMG, Regency Management Group, INC.
Professional Management
PO Box 588
Howell, NJ 07731
(732) 364-5900
(732) 905-8606
rclayton@regencymanagementgroup.biz

November 29, 2018

RE: 2019 Budget and Maintenance Fee Information

Dear Homeowner,

Enclosed please find a copy of the approved 2019 Budget for the Village Mews Condominium Association and accompanying Budget Notes that explain each category. After reviewing current contracts, finances, expenses and needs of the community, the Board of Trustees has voted to increase the maintenance fees by \$25 per month. The increase reflects routine rises in operating costs and a decrease in outside income following South Orange Parking Authority's unexpected recent decision not to renew its lease for the Village Mews commuter lot. Beginning January 2019, the new monthly maintenance fee will be **\$397**.

NOTE: The Special Assessment of \$135 per month for a period of 36 months, which was approved by the Board on December 7, 2015, expires at the end of 2018. This assessment replenished the Capital Replacement Reserve Fund for money borrowed to cover significant moisture intrusion construction work throughout the community several years ago. This assessment will **NO LONGER** be levied in 2019 and the amount will **NOT** be included in your coupon for the upcoming year.

If you do not utilize any debit program through the Management Company and/or RMG website you will soon be receiving your monthly payment coupons for January through December 2019. Please make your monthly maintenance fee checks payable to the **Village Mews Condominium Association in the amount of \$397** and mail it with the coupon. *Remember that if you are on recurring payments, you will need to update your profile to schedule payments for 2019.*

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 2019 BUDGET BASED ON 75 UNITS 75					
G/L #		2018 APPROVED BUDGET (Annual)	2018 PER UNIT COST (Monthly)	2019 APPROVED BUDGET (Annual)	2019 PER UNIT COST (Monthly)
	INCOME				
4001	MAINTENANCE FEES	334,800	372.00	357,300	397.00
4010	DISCOUNT ON QUARTERLY MAINTENANCE	(300)	(0.33)	(300)	(0.33)
4037	OTHER INCOME	900	1.00	1,050	1.17
4080	PARKING LOT INCOME	5,000	5.56		0.00
4160	LATE FEES	1,684	1.87	1,750	1.94
4315	DEFERRED MAINTENANCE INTEREST	10	0.01	165	0.18
4316	DEF. DEFERRED MAINT INTEREST	(10)	(0.01)	(165)	(0.18)
4350	INVESTMENTS - CAPITAL RESERVE INTEREST	450	0.50	4,500	5.00
4351	INVESTMENTS - DEFERRED RESERVE INTEREST	(450)	(0.50)	(4,500)	(5.00)
4410	MUNICIPAL REIMBURSEMENTS	6,700	7.44	6,000	6.67
4421	CAPITAL CONTRIBUTIONS	6,500	7.22	7,204	8.00
4495	CLUBHOUSE RENTAL	300	0.33	400	0.44
	SPECIAL ASST. 2018	121,500	135.00	0	0.00
	SPECIAL ASST	0	0.00	0	0.00
	PRIOR YEAR SURPLUS/(DEFICIT)	0	0.00	0	0.00
	TOTAL INCOME	477,084	530.09	373,404	414.89
	INSURANCE EXPENSES				
5000	INSURANCE	30,000	33.33	32,000	35.56
	INSURANCE DEDUCTIBLE	5,000	5.56	5,000	5.56
5029	INSURANCE SERVICE CHARGE	0	0.00	0	0.00
	TOTAL INSURANCE EXPENSES	35,000	38.89	37,000	41.11
	ADMINISTRATIVE EXPENSES				
5070	POSTAGE	550	0.61	550	0.61
5072	PROCESS CERTIFIED LETTERS	0	0.00	0	0.00
5090	PHOTOCOPIES	900	1.00	900	1.00
5160	ADMINISTRATIVE EXPENSE	500	0.56	1,200	1.33
5200	AUDIT EXPENSE	2,000	2.22	2,000	2.22
5210	GENERAL LEGAL EXPENSE	12,000	13.33	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	28,688	31.88	28,688	31.88
5310	FEDERAL INCOME TAXES	0	0.00	0	0.00
5320	BAD DEBT EXPENSE	0	0.00	0	0.00
5380	NJT LEASE	2,500	2.78	0	0.00
5430	STORAGE	0	0.00	0	0.00
	TOTAL ADMINISTRATIVE EXPENSES	54,163	60.18	52,363	58.18

	VILLAGE MEWS				
	2019 BUDGET				
	BASED ON 75 UNITS				
	75				
G/L #		2018	2018	2019	2019
		APPROVED	PER UNIT	APPROVED	PER UNIT
		BUDGET	COST	BUDGET	COST
		(Annual)	(Monthly)	(Annual)	(Monthly)
	OPERATING EXPENSES				
6065-0	LAWN CARE & IRRIGATION	22,100	24.56	23,600	26.22
6090-1	LANDSCAPING REPAIRS/TREE	5,000	5.56	7,000	7.78
6130-0	TRASH REMOVAL	10,800	12.00	10,800	12.00
6150-0	SNOW CLEARING	22,500	25.00	27,000	30.00
6200-1	SPRINKLER R&M	500	0.56	2,000	2.22
6220-0	GENERAL R & M	18,000	20.00	24,000	26.67
6250-0	MAINTENANCE SUPPLIES	1,500	1.67	1,200	1.33
6290-0	EXTERMINATING EXPENSE	2,800	3.11	2,800	3.11
6300-0	PLUMBING REPAIRS	20,000	22.22	23,000	25.56
6410-0	CONSTRUCTION REPAIRS	0	0.00	0	0.00
6440-0	EQUIPMENT MAINTENANCE	800	0.89	800	0.89
6441-0	PORTER SERVICE	11,440	12.71	11,860	13.18
	TOTAL OPERATING EXPENSES	115,440	128.27	134,060	148.96
	UTILITY EXPENSE				
7510-0	UTILITIES - ELECTRICITY	13,500	15.00	12,500	13.89
7520-0	UTILITIES - WATER/SEWER	2,500	2.78	2,500	2.78
	TOTAL UTILITY EXPENSES	16,000	17.78	15,000	16.67
	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		0.00
8900	CONTINGENCY	0	0.00	0	0.00
	TOTAL OTHER EXPENSES	255,981	284.42	134,481	149.42
	TOTAL EXPENSES	477,084	530.09	373,404	414.89
	NET INCOME OVER EXPENSES:	0	0.00	0	0.00

**VILLAGE MEWS CONDOMINIUM ASSOCIATION
2019 BUDGET NOTES**

INCOME

- 4001** **MAINTENANCE FEES:** Monthly Maintenance Fees based upon \$397 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 five (5) 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 fifty (50) 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 \$165.
- 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 Capital Contribution is deferred back into the Capital 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 UBS Financial Services, Inc. Based on the average monthly balance, it is anticipated that the annual interest will be \$4,500.
- 4351** **RESERVE DEFERRED INTEREST:** The interest on the Reserve Fund is deferred back into the Capital 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 six (6) resales in 2019. 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 four (4) 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 \$32,000 for 2019.

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 2018. It is anticipated that postage will cost approximately \$45 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.

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 2018 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.

5280 **NJ 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 Regency Management Group, Inc., 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 2019 will be \$2,390.67 per month.

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.
- 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 South Orange Disposal for trash collection in the five (5) trash sheds and the Lower Lot Dumpster. Recycling is not included. 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. 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 five (5) snowstorms will require clearing services at an average cost of \$5,400 per storm.
- 6200** **SPRINKLER REPAIRS:** Costs associated with repairs necessary to the sprinkler system (i.e., sprinkler head replacement, etc.) based upon previous years' experience. It is anticipated that the repairs and improvements will cost approximately \$2,000 during the season.
- 6220** **GENERAL REPAIRS:** Costs of general scheduled repairs that require outside contractor such as gutter repairs and cleaning, masonry work, etc.
- 6250** **MAINTENANCE 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 costs for maintaining the Association owned fitness equipment.

0000 **PORTER SERVICE:** The Association Superintendent position is currently open. The Association has contracted with David Zebrowski to handle many of these duties including recycling and cleaning/maintaining the common building.

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 \$1,000-\$1,100 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 \$205-\$210 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.

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 effective June 2015.

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.