



# THE REPLACEMENT RESERVE REPORT

---

PREPARED FOR

## CENTER VILLAGE APARTMENTS

TOWN OF GLASTONBURY HOUSING AUTHORITY

LOCATED IN  
GLASTONBURY, CONNECTICUT

APRIL 25, 2012



CONDOMINIUMS

FEDERAL  
&  
STATE  
ASSISTED  
HOUSING

SPECIAL USE  
PROPERTIES

RESORT  
PROPERTIES

THIS VERSION  
PREPARED FOR A  
CHFA  
PROPERTY

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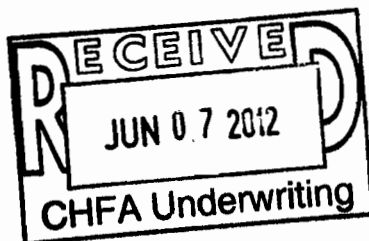
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# THE REPLACEMENT RESERVE REPORT

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April 26, 2012

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## **CENTER VILLAGE APARTMENTS**

c/o Housing Authority of the Town of Glastonbury  
25 Risley Road  
Glastonbury, CT 06033

Dear Owners & Managers,

It is my pleasure to present you with the enclosed **REPLACEMENT RESERVE REPORT** for **CENTER VILLAGE APARTMENTS**.

The observations and recommendations noted in the report have been made only after close inspection and evaluation of the property components.

Thank you for the opportunity to prepare this analysis for you. I trust it will become a valuable aid and assist you in your property management endeavors.

Please do not hesitate to contact me with any questions or comments.

Very truly yours,

Charles J. Stuart, CPM

## EXECUTIVE SUMMARY

**CENTER VILLAGE APARTMENTS** consists of 50 units of elderly and barrier free housing developed during 1975. Day to day business affairs are addressed by a professional staff.

The purpose of this analysis is to define the capital needs and adequate reserve funding for the next 20 years.

### MISSION STATEMENT

The scope and purpose of this analysis is to provide financial conclusions that will suggest required funding levels for capital repairs and replacements to the building components and improvements. The analysis does not intend to project an engineering of the property, opinions of utility or inutility, or an opinion of value.

The methodology used is two-fold. First, to perform an analysis regarding current physical conditions; which, through non-invasive observations and our experience in such matters, would indicate the probable remaining life of the property components. Second, the report will suggest the costs associated with capital repair and replacement over the next twenty-year period. As a product of these two functions, the report will also comment on observations made, the level of proficiency in maintaining the physical plant, deferred and preventative maintenance, and any possible life extension of the components. The client should interpret the enclosed material and determine if an increased level of invasive investigation is necessary.

When interpreting this report, the value of time should be considered. As a twenty-year period is a probable scenario based on our experiences, it is open to influences from many sources such as maintenance levels, economics, inflation of expenses, and the environment in which the property exists. Accordingly, give particular attention to suggested capital expenses during the next five-year period. With scheduled re-evaluation of the report every five years, the recommendations will remain a working tool for the benefit of the property. The observations made during the field inspections of **April 25, 2012** indicated that the level of service to the components is at a proficient level. A capsule of components exhibiting liabilities, obsolescence, or deferred maintenance follows.

### LIABILITIES

This report is not intended as a loss or risk assessment, however, it will comment on possible liabilities that may present a financial risk to our client. Management has recently improved the site features to reduce potential exposures of trips and falls.

### OBSOLESCENCE

Within the text of the physical plant report pages the reader will note areas that indicate either functional or economic obsolescence. All obsolescence should be considered curable.

## EXECUTIVE SUMMARY

### DEFERRED MAINTENANCE

It is obvious, in our professional opinion, that the property has maintained a responsible degree of maintenance. Given this history of operations, we did not observe, and would not expect to observe, intentionally deferred maintenance. This report suggests additional levels as an enhancement only.

The subject property has a chronological age of improvements of **37 years**. In our professional opinion, the *effective age* for the improvements, enmasse, is less at approximately **25 years**.

### FUTURE FINANCIAL PROJECTIONS

Our process of projecting future financial needs is presented through two methods;

We see **minimum funding** requirements as meeting anticipated expenses or, dedicating cash in/cash out with inflation and interest income over the projected twenty year period. This funding rate is further identified as either the threshold or baseline rate.

**Center Village's** projected annual funding to meet future expenses is **\$52,250 per year**. Future funding is shown with a 3% annual increase. The current rate of funding is \$52,250.

Our second method of projecting reserve funding includes long term segregating of each site component. This rate is based on funding attrition of the components as they age, encompassing all components regardless of when actual expenses may occur. This is a fully-funded rate, creating the **maximum funding** level. **Center Village's** projected annual funding to meet a fully funded reserve is **\$65,000 per year**. Future funding is shown with at 3% annual increase.

There are no immediate life and safety priority expenses. Capital expenses over the term are estimated at \$1,338,647. The current rate of funding is 80.38% of the suggested fully-funded rate, and 100% of the suggested baseline rate.

CHFA SHRP-CNA SUMMARY

Year 1	Years 2-5	Years 6-15	Years 16-20
\$300,575	\$194,777	\$448,814	\$482,156

All projections are considered dependent on inflation and proficient services during the use term. The plan is written for immediate use in the year 2012.

We hope that this report will benefit the owners and managers by providing ample information to make informed decisions.

## ***CAPITAL NEEDS ASSESSMENT - STATEMENT OF WORK***

The Statement of Work includes information regarding the qualifications, declarations, and property profile of this capital needs assignment.

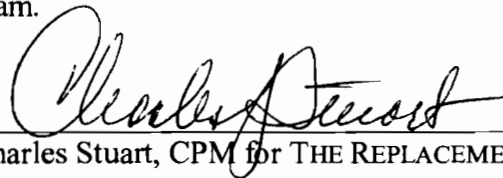
### **QUALIFICATIONS**

THE REPLACEMENT RESERVE REPORT was the first assessor in the country to specialize in multifamily housing. Since its inception in 1980, this firm has conducted over 7,000 capital needs assessments for numerous private, State and Federal housing programs in all climates and construction types. The firm and its principals are contributing editors for the RS Means Company, a worldwide data collection and consulting company. Specific criteria regarding individual members can be found on page 30. During the processes of the analysis members draw from decades of experiences; including formal education, training, and licensing when needed. The firm supports the efforts and guidelines of the Association of Professional Reserve Advisors when applicable.

### **DECLARATIONS**

THE REPLACEMENT RESERVE REPORT, its owners, employees, contractors, and suppliers certify that they do not have, nor have they ever had, any financial interests in the subject property, or any related properties of the owners.

THE REPLACEMENT RESERVE REPORT states that it is not, nor has ever been, debarred or suspended from participating in any State or Federally assisted program.



April 25, 2012

By Charles Stuart, CPM for THE REPLACEMENT RESERVE REPORT

### **ACKNOWLEDGEMENTS**

THE REPLACEMENT RESERVE REPORT has been prepared by Charles Stuart, CPM and assisted by members of the firm's staff. The staff conducted site observations and interviews with the management staff. Mr. Stuart conducted interviews with and received information from representatives of the property owners. All sources were very cooperative and helpful.

## PROPERTY PROFILE & GENERAL CONDITIONS

The property is known as **CENTER VILLAGE APARTMENTS**. The property is owned by the Town of Glastonbury, CT and managed by a professional staff. The site was originally built for use as housing for seniors and residents with disabilities in 1975.

There are 50 housing units within a nine free-standing buildings on a 7 (+ -) acre parcel. Aesthetic value and curb appeal is constantly addressed by management. Physical replacements and enhancements have been reasonable and proficiently accomplished.

The on site inspection included identifying the inventory of property components, apartment inspections, and close observations of physical conditions throughout the development. Historical budgets and operating statements were available. There is a history of utilizing professional contractors when needed. Unusual attrition is observed only within the envelope's metal siding.

During the process of inspection, the assessor did not encounter or observe potential or existing hazards, including issues of 21E, soil contamination, fluid spills, mold spores, asbestos, and other detrimental conditions. There are no indications that would suggest hazardous conditions either exist now or are likely to exist in the future. Prudent management periodically tests and proves for these conditions. There are no indications that invasive or detailed testing is required, although all properties should maintain regular assessments of some functions; including energy audits.

Replacement components generally include like-kind products; however, the report will prudently increase the level of service when technology, obsolescence, safety and security, or increasing esthetic values warrant enhancing or protecting the viability, longevity, and income stream of the property. It is expected that adjustments will be necessary over the term of the plan to address such issues.

Pricing replacements and enhancements is generally market driven with local knowledge. Inflation of expenses is included with current known trends. Pricing is also examined against published regional statistics and the property's experiences with retrofit costs.



## The Physical Plant Report





## HOW TO INTERPRET THIS DATA

**THE OBJECTIVE:** Each of the property components receives examination until prevailing conditions are revealed. The analysis creates an opinion of "Effective Age" and probable remaining use life. Effective Age is determined by original product quality, maintenance and preventative maintenance (or lack thereof) received during the use period. The rate of wear and tear also impacts projections of remaining use life. The capsule continues with a checklist of conditions that may be of particular interest to the reader.

Here is a sample:

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ASPHALT	25	15	10	15
ROOFING	20	15	17	6

### SUMMARY

<b>DEFERRED MAINTENANCE:</b>	Conditions described planned or unintentional deferment of services. The accumulation of loss and rate of wear may be described
<b>OBSOLESCENCE:</b>	Economic obsolescence is used to describe worn out components. Functional obsolescence describes out-dated components or inutility.
<b>USE LIFE EXTENSION:</b>	Functions suggested extending component use life. Levels of service may be described.
<b>COMMENTS OBSERVATIONS PREVENTATIVE MAINTENANCE</b>	Describes conditions observed, component specifications and inventory, and eventual timing and cost associated with replacement. The rate of attrition is described and predicted in \$ dollars.

Each component receives a narrative of critical analysis, and a description of how funding and expenses are predicted and then recapped in the following format. This information is incorporated into the cash flow charts.

### INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT VALUE	TOTAL VALUE	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR (\$)
ASPHALT	2300	LS	\$5.50	\$12,650	19	\$666 per year	\$12,650 year 20
TILE	100	SF	\$40.00	\$4,000	10	\$400 years 1-10	\$4,000 year 11

### TWO TYPES OF FUNDING, AND THE CASH FLOW CHARTS:

Segregated Funding is the long-term reserve rate for each component over its useful life. Funding is established to coincide with attrition. The collective sum of all components' segregated reserve builds the "maximum" funding level.

Dedicated or Actual Expense describes the use of existing or future funds for a planned expense. The collective sum of cash in / cash out build the "minimum" suggested level of funding.

The Funding Methods The "Pooling Method" is the preferred process to lower the impact of annual funding. While a "Straight-life" method may also be included for reports to common interest properties, it is not a suggested process.

In both scenarios, the cash flow charts include current reserve balances, the impact of the current reserve rate, and a suggested rate to meet both levels of funding.

# PHYSICAL PLANT REPORT SITE IMPROVEMENTS I

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
GROUNDS	100	37	50	20+
SITE DRAINAGE	50	37	45	<5

## SUMMARY

<b>DEFERRED MAINTENANCE:</b>	None; services have been performed when needed.
<b>OBSOLESCENCE:</b>	There is partial economic obsolescence within both components. All obsolescence is curable.
<b>LIFE EXTENSION:</b>	Continue selective removal and trimming of trees and shrubs. Clean storm basins as an operating expense.
<b>ALTERNATIVES:</b>	Numerous choices are available including collection and distribution of surface water.
<b>COMMENTS</b>	The grounds inventory is observed with several severe issues that relate to obsolescence. Many of the trees are at the end of the growth cycle. During the process of growing large, excessive shade has eliminated areas of grass. Trimming and pruning has been proficient and may enable the trees to continue without attrition. Recent improvements with planter beds and seating areas are aesthetically appealing.
<b>PREVENTATIVE MAINTENANCE &amp; SUGGESTIONS:</b>	The aging inventory will present rising costs within the term of the plan, especially for removal, replacement, and enhancement. An annual reserve rate and expense is shown below at \$2,500 each year. Actual timing and expense will vary.

Site drainage is accomplished by topography, typically with some velocity over the slightly elevated surfaces. Soils have been lost within areas of erosion, with most of it directed towards surface water basins. Trapped low lying areas within previous lawn pads have an impact with cyclic freeze thaw damage to walkways. Erosion and tree root damage have created uneven surfaces throughout the grounds.

Ideal conditions would re-grade the surfaces, finishing with ground cover or sod. Proper pitch should direct water to the perimeters, culverts, swales, or proper outfalls. Capital expenses to renew site drainage is estimated at \$27,400; included during a two year phase in years 2 & 3 with an expense of \$13,700 each phase. The annual reserve rate is \$548 each year for all years.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
GROUNDS	1	L/S	\$50,000	\$50,000	1-20	\$2,500 per year	\$2,500 years 1-20
SITE DRAINAGE	1	L/S	\$10,960	\$10,960	1+	\$548 per year	\$13,700 years 2 & 3

# PHYSICAL PLANT REPORT SITE IMPROVEMENTS II

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ASPHALT SURFACES	25	5-37	22	3
CONCRETE SURFACES	50	37	30	20
SITE LIGHTING	25	5+	30+	<5

## SUMMARY

**DEFERRED MAINTENANCE:** None; services include recent repairs and replacements.  
**OBSOLESCENCE:** Asphalt surfaces and site lighting are approaching economic and functional obsolescence.  
**LIFE EXTENSION:** Sectional replacement is possible for continued use.  
**ALTERNATIVES:** Numerous architectural choices are available.

**COMMENTS** Asphalt surfaces are intact enough to receive a new wearing course. Prior to enhancement, sectional patching should be performed. Substantial cracks should receive tar/rubber fill after proficient preparation. A new wearing course covers 5,080 square feet of surface area, improved at \$1.50 per square foot; \$7,620 total expense shown below in year 2. The annual reserve rate is \$305 per year for all years. During the use term, regular services should include emulsion cleaning, line striping, and surface sealing. Preferred methods of sealing include adding substantial product such as tar emulsion/sand slurry mix. Line striping, curb cuts, and tactile warnings should follow the Uniform Federal Architectural Standards (UFAS) Periodic costs increase capital expenses in years 3, 8, 13, & 18 of \$2,032 each cycle. The annual reserve rate is \$406 each year. The reserve rate for this category is \$711 each year.

The site is improved with a small maze of concrete walkways. Services have been performed on the inventory with repairs and sectional replacements. Attention to detail is noticed as repairs assured good transitions between concrete pads. Movement is expected to continue within the walkways as harsh New England weather and frost heaves are very likely. An annual reserve rate and expense of \$1,000 is included for all years. Consider rubbish corral concrete surfaces a priority. The entry pad to the apartments appears to be in generally good condition. Remove mold and mildew; apply concrete surface sealer hardener as an operating expense.

Site lighting includes decorative lanterns on metal posts. The current inventory is approaching economic obsolescence with failed hardware, fatigue, and weather penetration to the fixture head. Posts and foundations are also in poor condition with frost heaves, injury from grounds equipment, and pitched appearances. The 19 unit inventory is replaced at \$650 per unit; \$12,350 expense in year 2. The annual reserve rate includes typical use life of 25 years, at \$494 each year.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
ASPHALT SURFACES	5,080	SF	\$1.50	\$7,620	1	\$711 per year	\$7,620 year 2
			\$0.40	\$2,032			\$2,032 yrs 3, 8, 13, 18
CONCRETE SURFACES	1	L/S	\$20,000	\$20,000	1-20	\$1,000 per year	\$1,000 years 1-20
SITE LIGHTING	1	L/S	\$9,880	\$9,880	1	\$494 per year	\$12,350 year 2

# PHYSICAL PLANT REPORT SITE IMPROVEMENTS III

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
GARAGES	50/25	37/15	35/20	15+/5
SIGNS	7	2-7+	2-7+	0-5+
SITE MISC.	15	15+	15+	0

## SUMMARY

**DEFERRED MAINTENANCE:** None; services have attempted to address attrition.  
**OBSOLESCENCE:** Rubbish corrals are approaching economic obsolescence.  
**LIFE EXTENSION:** These components are limited in available extended use life.  
**ALTERNATIVES:** Numerous architectural choices are available.

**COMMENTS** The garage needs periodic improvements such as overhead door; lighting, ventilation, and security. An annual reserve rate and expense of \$500 is included below for all years.

**OBSERVATIONS** The site is improved with a decorative themed identification sign. The appearance includes pleasing curb appeal and the ability to carry the theme through all media and printed materials. The site's interior includes wooden signs used for direction and instruction. The inventory is observed with wood rot and failure. An expense of \$2,500 is included for year 2 to improve the entire inventory. Year 15 renews the inventory at \$5,500; reserved at \$367 per year for all years.

### & SUGGESTIONS:

The site miscellaneous inventory includes the rubbish corrals. A new theme and retrofit is needed for the rubbish corrals, replacing uneven walkways, rotted boards of the screen fence, while adding lighting and safety to the two locations. Year 1 includes an expense of \$4,400; reserved over the typical use life of 15 years at \$293 per year for all years.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
GARAGES	1	L/S	\$10,000	\$10,000	1-20	\$500 per year	\$500 years 1-20
SIGNS	1	L/S	\$7,340	\$7,340	2+	\$367 per year	\$2,500 year 2 \$5,500 year 15
SITE MISC.	1	L/S	\$5,860	\$5,860	0	\$293 per year	\$4,400 year 1

# PHYSICAL PLANT REPORT BUILDING ENVELOPE & IMPROVEMENTS I

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
SIDING SYSTEMS	50	37	47	<3
SIDING MISC.	40	37	35	5

## SUMMARY

**DEFERRED MAINTENANCE:** Intentional deferment is not observed.

**OBSOLESCENCE:** The siding systems are impacted by a loss of integrity within the metal's finish.

**LIFE EXTENSION:** None likely; the surface spalling will result in rusting conditions.

**ALTERNATIVES:** Numerous architectural choices are available for retrofit.

**COMMENTS**  
**OBSERVATIONS**  
**PREVENTATIVE**  
**MAINTENANCE**  
**&**  
**SUGGESTIONS:**

The aluminum siding is losing the integrity of its film coat. The electro-chemical process is failing with little that can be done to halt attrition. Management will incur fading curb appeal as the surfaces are weathered further.

The down economy may allow for better pricing than the projected \$332,500; \$6,650 per unit costs. Competitive pricing is expected to present costs of \$75% or \$249,375 at \$4,988 per unit. Improvements delayed may eliminate the savings opportunities as the economy rebounds. Consider also alternate siding products such as Hardi-board/plank, Brickmaster, etc. on gable ends where surface finishes are more noticeable. Years 5 & 6 include costs of \$125,000 each phase to address the failing aluminum siding. The annual reserve rate is \$5,000 for all years.

The siding miscellaneous inventory includes the metal trim throughout the envelope. The trim is in better condition than the siding with less hardware failure and no appreciable loss of film coat. Costs are left to the projections shown above that are all-inclusive. No reserve rate or capital expense is included.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
SIDING SYSTEMS	1	L/S	\$100,000	\$100,000	4	\$5,000 per year	\$125,000 years 5 & 6
SIDING MISC.	-	-	-	-	-	\$0.00	\$0.00

# PHYSICAL PLANT REPORT BUILDING ENVELOPE & IMPROVEMENTS II

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ROOFING	20	3	3	17
GUTTERS/CONDUCTORS	40	3-37	3-37	3-20+

## SUMMARY

<b>DEFERRED MAINTENANCE:</b>	None; intentional deferment is not observed. The roofing inventory is recent.
<b>OBSOLESCENCE:</b>	The gutter and conductor downspout inventory includes both functional and economic obsolescence.
<b>LIFE EXTENSION:</b>	Continued tree trimming will eliminate building striking injury and excessive shade. Consider an annual service contract.
<b>ALTERNATIVES:</b>	The gutters and conductors require an improved strategy for outfall.
<b>COMMENTS</b>	The roof inventory is 3 years of age. The architectural shingle appears proficiently installed. There are no "fishmouths" of failed hardware and no missing shingles. Management should assess roof trusses for proper placement and attachment. Recent weather events have caused severe damages throughout the region. Competitive pricing allowed for improved results as opposed to statistical costs, i.e. An inventory of 46,069 square feet being retrofit with ice and water shield throughout, finished with an architectural shingle of 345-360 lbs/sq. requires a minimum price of \$6.50 per square foot, or, \$299,449 in year 18.
<b>PREVENTATIVE MAINTENANCE &amp; SUGGESTIONS:</b>	The annual reserve rate is \$14,972 each year for all years.

The gutter and conductor inventory is impacted by poor designs and applications that would allow for proper drainage. Surface to surface collection is prevailing, with downspouts outfalling to trays and injected into adjoining downspouts. Several important factors for preventing infamous New England ice dam phenomena is overlooked, primarily where sun travel and cyclic freeze thaw is involved. For example; freeze thaw action will be different at the front of an extended eave than next to the building. Likewise, melted water from upper sunlit locations spilling into lower trays will likely meet cold conditions with an ice dam. An inventory value of \$22,300 exists because of the overbuilt inventory. Current conditions can be extended to the next roof cycle in year 18. The annual reserve rate is based on typical use life of 40 years, at \$558 per year.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
ROOFING	46,069	SF	\$6.50	\$299,449	17+	\$14,972 per year	\$299,449 year 18
GUTTERS/CONDUCTORS	1	L/S	\$11,160	\$11,160	17+	\$558 per year	\$22,300 year 18

# PHYSICAL PLANT REPORT BUILDING ENVELOPE & IMPROVEMENTS III

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
WINDOWS & DOORS	40	7+	7+	1-10/20+
ENVELOPE MISC.	40	37	35	5+

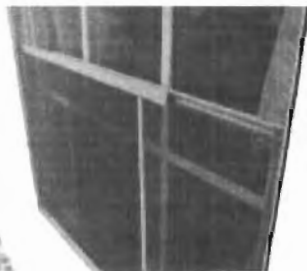
## SUMMARY

**DEFERRED MAINTENANCE:** None; services have been performed as needed, including replacements and enhancements.  
**OBSOLESCENCE:** Expect partial economic obsolescence that is cyclic within storm doors.  
**LIFE EXTENSION:** Continue to inspect and service the inventory.  
**ALTERNATIVES:** None suggested; the inventory is modern and appropriate for the use intended.

**COMMENTS** The window and door inventory is recent. Storm doors appear to be in excellent condition, especially rear 2<sup>nd</sup> egress doors with minimal use. Use life of the window inventory is estimated at 40 years, creating an annual reserve rate of \$1,050 each year.  
**OBSERVATIONS** Storm doors are typically cyclic at 10 years. The \$16,000 inventory would create an undue burden at \$1,600 per year, especially when extended use life is being achieved. A reserve and expense rate at 50% is shown below, at \$800 per year starting in year 5.  
**PREVENTATIVE MAINTENANCE & SUGGESTIONS:**

The envelope miscellaneous category includes louvered vents, outdated building mounted lighting, utility panels, and small items of detail. Most items are replaced upon failure as an operating expense. Modernization of the lighting inventory would improve curb appeal; addressed with an annual reserve rate of \$400 each year. An expense of \$8,000 is included for year 5.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
WINDOWS & DOORS	1	L/S	\$16,000	\$16,000	1-20+	\$800 per year	\$800 years 1-20
ENVELOPE MISC.	1	L/S	\$8,000	\$8,000	5	\$400 per year	\$8,000 year 5

# PHYSICAL PLANT REPORT APARTMENT INTERIORS

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
KITCHENS & BATHS	30	10-37	25	5+
APPLIANCES	12	1-12	1-12	0-11
DÉCOR	10	1-10	1-10	0-9
INTERIOR MISC.	10	1-10	1-10	0-9

## SUMMARY

**DEFERRED MAINTENANCE:** None; services are constantly provided by the site staff.  
**OBSOLESCENCE:** Economic obsolescence is cyclic throughout the components.  
**LIFE EXTENSION:** The appliance and décor categories are achieving extended use life well beyond typical periods.  
**ALTERNATIVES:** Product quality may need to change in future years as marketing demands change.

**COMMENTS** The kitchens and baths are functional and sufficiently attractive. Kitchen cabinets are oddly placed with built in shelving.  
**OBSERVATIONS** Wood surfaces have been renewed when possible, resulting in replacement once hardware becomes difficult to correct. Unit inspections indicate several periods of enhancements. Bathrooms are finished with modern porcelain appliances and painted wall surfaces. Ground fault protection is in place for kitchens and bathrooms.  
**PREVENTATIVE MAINTENANCE & SUGGESTIONS:** The inventory is capable of continued use as long as material surfaces can be refinished. Replacement value is estimated at \$120,000; reserved over 30-year typical use life at \$3,000 each year. Fatigue is expected at mid term or sooner; included for year 10. Management should consider accelerating the retrofit if marketing/retention efforts are impacted.

The appliance inventory includes an efficiency range and self-defrosting refrigerator. Per unit inventory value is \$930; \$46,500 total value reserved over 12 years average use life at \$3,875 per year. It should be noted that the range inventory is mostly original; appear in better than average condition with few signs of attrition. Actual timing and expenses will vary each year.

Décor within the units includes painted sheetrock walls and vinyl flooring throughout kitchens and baths, living and sleeping areas, and items of detail. Annual turnover averages 7 units each year, with an additional 4 units redecorated for long term tenants. Average costs are estimated at \$1,400 each; \$15,400 total annual expense and reserve rate.

Interior miscellaneous components include lighting, ventilation, interior doors, and items of detail. Most of the inventory varies in age from phased replacement. Most of the inventory is capable of extended use life. An annual reserve rate and expense of \$500 is included below for all years.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
KITCHENS & BATHS	1	L/S	\$60,000	\$60,000	10+	\$3,000 per year	\$120,000 year 10
APPLIANCES	1	L/S	\$77,500	\$77,500	1-20	\$3,875 per year	\$3,875 years 1-20
DÉCOR	1	L/S	\$308,000	\$308,000	1-20	\$15,400 Per year	\$15,400 years 1-20
INTERIOR MISC.	1	L/S	\$10,000	\$10,000	1-20	\$500 per year	\$500 years 1-20



# PHYSICAL PLANT REPORT MECHANICAL SYSTEMS I

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
DOMESTIC HOT WATER	10	1-10+	8	2+
HEATING SYSTEMS	40	37	30	10
GENERATOR	-	-	-	-
FIRE SAFETY	15	1-15	1-15	0-14

## SUMMARY

**DEFERRED MAINTENANCE:** Deferred services are not observed. Systems have been maintained to achieve long term use.  
**OBSOLESCENCE:** Expect economic and functional obsolescence throughout all topics.  
**LIFE EXTENSION:** Continue to enhance fire safety systems with modern systems.  
**ALTERNATIVES:** Modernization is required for domestic hot water, generator, and fire safety. Consider security intrusion systems.

**COMMENTS**  
**OBSERVATIONS**  
**PREVENTATIVE**  
**MAINTENANCE**  
**&**  
**SUGGESTIONS:**  
Domestic hot water is provided by individual 45 gallon electric hot water heaters. Typical use life is 10 years, with sudden unexpected losses occurring beyond that time. Observations within residential units include several hot water heaters of 15-20 years that should be removed to prevent damages. The inventory is replaced with similar glass-lined 45 gallon hot water heaters at \$565 each; \$28,250 total replacement value over ten years. The annual reserve rate and expense is \$2,850; however, expect early years to have an increased rate of expenses.

Modernization occurred as part of an agreement with Connecticut Light & Power Energy Efficiency Services. Management installed split and dual zone ductless heat pumps. Replacement value is \$95,000 (\$1,894 each) at the reduced rate with an estimated use life of 18 years. The annual reserve rate is \$5,278 each year for all years. Cyclic replacement should be expected during the term of the plan.

There is no permanent stand-by generator located at the property. Management has the ability to supply portable generator power to the community center. An adequately sized, dependable system should be considered. An annual reserve rate and expense of \$250 addresses existing portable equipment.

The fire safety has a history of meeting local code requirements. The system includes smoke detectors responding to an annunciation and location lamp. Automatic call-forwarding is in place as is battery back-up. Years 5, 10, 15, & 20 include an expense of \$2,500 each cycle to continue replacements and modernization for code changes. The reserve rate is \$500 per year.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
DOMESTIC HOT WATER	1	L/S	\$57,000	\$57,000	1-20	\$2,850 per year	\$2,850 years 1-20
HEATING SYSTEMS	1	L/S	\$105,560	\$105,560	18+	\$5,278 per year	\$0.00
GENERATOR	1	L/S	\$5,000	\$5,000	1-20	\$250 per year	\$250 years 1-20
FIRE SAFETY	1	L/S	\$10,000	\$10,000	5	\$500 per year	\$2,500 yrs 5, 10, 15, 20

# PHYSICAL PLANT REPORT MECHANICAL SYSTEMS II

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ELEVATORS	-	-	-	-
SECURITY	7	1-7	1-7	0-6
COOLING/MAKE UP AIR	-	-	-	-
MECHANICAL MISC.	-	-	-	-

## SUMMARY

<b>DEFERRED MAINTENANCE:</b>	None; services are performed as needed.
<b>OBSOLESCENCE:</b>	Security systems are minimal, representing functional obsolescence.
<b>LIFE EXTENSION:</b>	Increase systems to include closed circuit cameras with recorders, motion detectors.
<b>ALTERNATIVES:</b>	Consider improved door locks, FOB's, cameras, etc. modernizing the capabilities.
<b>COMMENTS</b>	There are no elevators located at the site.
<b>OBSERVATIONS</b>	
<b>PREVENTATIVE MAINTENANCE &amp; SUGGESTIONS:</b>	Security includes passage door locks and panic pull stations in bathrooms that remain local. Modernization is needed to provide a safer atmosphere for retention and marketing. Security within the laundry and community center would be an enhancement. The current limited inventory receives and annual reserve rate and expense of \$200 each year.
	There are no additional items of cooling, make up air, or mechanical miscellaneous.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
ELEVATORS	-	-	-	-	-	\$0.00	\$0.00
SECURITY	1	L/S	\$4,000	\$4,000	1-20	\$200 per year	\$200 years 1-20
COOLING/MAKE UP AIR	-	-	-	-	-	\$0.00	\$0.00
MECHANICAL MISC.	-	-	-	-	-	\$0.00	\$0.00

# PHYSICAL PLANT REPORT COMMON SPACE

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
COMMUNITY CENTER	10	1-10	1-10	0-9
OFFICE	-	-	-	-
COMMON HALLWAYS	-	-	-	-
COMMON MISC	-	-	-	-

## SUMMARY

<b>DEFERRED MAINTENANCE:</b>	None; services have been performed as needed.
<b>OBSOLESCENCE:</b>	Expect cyclic obsolescence for all improvements of the community center.
<b>LIFE EXTENSION:</b>	Continue inspections and services.
<b>ALTERNATIVES:</b>	Numerous choices are available to meet resident desires.
<b>COMMENTS</b>	The community center is active focal point for residents. Observations included an active game of bingo and use of the kitchen by the residents. Furniture is miss-matched, equipment is minimal. The kitchen appears well-used.
<b>OBSERVATIONS</b>	
<b>PREVENTATIVE MAINTENANCE &amp;</b>	An annual reserve rate and expense of \$500 is included for all years.
<b>SUGGESTIONS:</b>	There are no office requirements, common hallways, or common misc. features. No capital expense or reserve rate is included.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
COMMUNITY CENTER	1	L/S	\$10,000	\$10,000	1-20	\$500 per year	\$500 years 1-20
OFFICE	-	-	-	-	-	\$0.00	\$0.00
COMMON HALLWAYS	-	-	-	-	-	\$0.00	\$0.00
COMMON MISC.	-	-	-	-	-	\$0.00	\$0.00

# PHYSICAL PLANT REPORT MISCELLANEOUS IMPROVEMENTS

## LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
SECTION 504	-	-	-	-
MODERNIZATION	-	-	-	-

## SUMMARY

**DEFERRED MAINTENANCE:** Various degrees of complying with Section 504 exist, based primarily on improvement costs, rehab programs, new government loans or insured loans by the government, with all relative as a percentage of overall property value. At this time, we do not project that the site will require a significant expense or government loan triggering a compliance level higher than local code or reasonable accommodations. The property is considered a non-conforming use, having been built before UFAS guidelines were established. Year 1 includes an expense of \$3,500 for professional assistance in completing a Section 504 Self-Evaluation and Transition Plan.

**OBsolescence:**

**LIFE EXTENSION:**

**ALTERNATIVES:**

**COMMENTS**

**OBSERVATIONS**

**PREVENTATIVE MAINTENANCE & SUGGESTIONS:**

No additional expense is projected to address Section 504. Reasonable accommodation is not expected to result in a financial burden for the operating accounts of the subject property.

The site will need to modernize with an age of 37 years. During the next twenty years and to the period when the mortgage is retired, the components will represent functional obsolescence to varying degrees. Most of the conditions should be considered curable. Enhancements expected include:

**Safety:**

Fire and safety issues should take priority in modernization, with more sophisticated systems available to the individual unit, sounding directly to authorities. Intrusion systems should be included. Consider Detex Stations when using security. Hand held walkie-talkies should be employed. Equip and replace with advanced systems as they become available.

**Barrier free:**

Over time, the subject property will require spending of capital dollars, which enable trigger points of Section 504 compliance. Eventually, total modernization is likely to be required, although such modernization may be beyond the current assisted mortgage.

**Computerized Intelligence:**

Modern buildings are relying on computerization of mechanical systems for energy controls, increased comfort levels, and improved performance of operating systems.

**Communications**

Electronic billboard systems are available for installation into existing matv or CCTV home runs. The billboards, similar to those now found in hotels, allow instant communication to the residential unit. The systems have unlimited applications for social and operating issues.

Actual expenses are not shown for these possible functions. Management should evaluate and consider which ones, if any, are applicable.

## PROPERTY PHOTOS



## INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
SECTION 504	-	-	-	-	-	\$0.00	\$3,500 year 1
MODERNIZATION	-	-	-	-	-	\$0.00	\$0.00

CONCLUSION, PART A  
SEGREGATED FUNDING AND RATE OF ATTRITION

Center Village Apartments

April 25, 2012

SEGREGATED FUNDING PRIOR TO APPLICATION OF EXISTING RESERVE ACCOUNT BALANCES

COMPONENT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Grounds Retainage	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Site Drainage	548	548	548	548	548	548	548	548	548	548	548	548	548	548	548	548	548	548	548	548
Asphalt Surfaces	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711
Site Lighting	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494
Concrete	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Garages	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Signs	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367
Site Misc	293	293	293	293	293	293	293	293	293	293	293	293	293	293	293	293	293	293	293	293
Siding Systems	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Siding Misc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Roofing	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972
Gutters	558	558	558	558	558	558	558	558	558	558	558	558	558	558	558	558	558	558	558	558
Windows & Doors	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800
Envelope Misc	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400
Kitchens & Baths	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Appliances	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875
Décor	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	0	0	0	0	0	0	0	0	0	0	0	0
Interior Misc.	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Domestic Hot Water	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
Heating Systems	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278
Fire Safety	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Generator	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Security	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Community Center	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Section 504	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Modernization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Reserve	67,496	67,496	67,496	67,496	67,496	67,496	67,496	67,496	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096
Cash Expense	289,475	63,745	43,307	27,575	27,575	28,375	28,375	38,407	28,375	148,375	28,375	28,375	30,407	28,375	33,875	28,375	28,375	352,156	28,375	28,375
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031

**CONCLUSION, PART B**  
**CURRENT FUNDING VS. A FULLY-FUNDED RESERVE**

Center Village Apartments  
April 25, 2012

**THE CURRENT LEVEL OF FUNDING IS SHOWN vs. A FULLY FUNDED RESERVE**

Year	Cash Balance Forwarded	Annual Funding	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	Reserve Required	Coverage Shortfall
2012	\$480,000	\$52,250	\$289,475	\$0	\$247,631	\$67,496	\$0
2013	\$247,631	\$52,250	\$63,745	\$0	\$240,858	\$134,992	\$0
2014	\$240,858	\$52,250	\$43,307	\$0	\$254,797	\$202,488	\$0
2015	\$254,797	\$52,250	\$27,575	\$0	\$285,062	\$269,984	\$0
2016	\$285,062	\$52,250	\$27,575	\$0	\$315,931	\$337,480	(\$21,549)
2017	\$315,931	\$52,250	\$28,375	\$0	\$346,603	\$404,976	(\$58,373)
2018	\$346,603	\$52,250	\$28,375	\$0	\$377,887	\$472,472	(\$94,585)
2019	\$377,887	\$52,250	\$38,407	\$0	\$399,565	\$524,568	(\$125,003)
2020	\$399,565	\$52,250	\$28,375	\$0	\$431,908	\$576,664	(\$144,756)
2021	\$431,908	\$52,250	\$148,375	\$0	\$342,499	\$628,760	(\$286,261)
2022	\$342,499	\$52,250	\$28,375	\$0	\$373,702	\$680,856	(\$307,154)
2023	\$373,702	\$52,250	\$28,375	\$0	\$405,528	\$732,952	(\$327,424)
2024	\$405,528	\$52,250	\$30,407	\$0	\$435,919	\$785,048	(\$349,129)
2025	\$435,919	\$52,250	\$28,375	\$0	\$468,989	\$837,144	(\$368,155)
2026	\$468,989	\$52,250	\$33,875	\$0	\$497,112	\$889,240	(\$392,128)
2027	\$497,112	\$52,250	\$28,375	\$0	\$531,406	\$941,336	(\$409,930)
2028	\$531,406	\$52,250	\$28,375	\$0	\$566,387	\$993,432	(\$427,045)
2029	\$566,387	\$52,250	\$352,156	\$0	\$271,811	\$1,045,528	(\$773,717)
2030	\$271,811	\$52,250	\$28,375	\$0	\$301,599	\$1,097,624	(\$796,025)
2031	\$301,599	\$52,250	\$28,375	\$0	\$331,984	\$1,149,720	(\$817,736)
<b>CYCLE END TOTALS:</b>		<b>\$1,045,000</b>	<b>\$1,338,647</b>				

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

**CONCLUSION, PART C**  
**SUGGESTED LEVEL OF FUNDING FOR A FULLY-FUNDED RESERVE W/ 3% FUNDING INCREASE EACH YEAR**

**Center Village Apartments**  
**April 25, 2012**

**THE SUGGESTED LEVEL OF FUNDING IS SHOWN vs. A FULLY FUNDED RESERVE**

Year	Cash Balance Forwarded	Annual Funding (3% compound fund)	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	Reserve Required	Coverage Shortfall
2012	\$480,000	\$65,000	\$289,475	\$0	\$260,636	\$67,496	\$0
2013	\$260,636	\$66,950	\$63,745	\$0	\$269,117	\$134,992	\$0
2014	\$269,117	\$68,959	\$43,307	\$0	\$300,664	\$202,488	\$0
2015	\$300,664	\$71,027	\$27,575	\$0	\$350,999	\$269,984	\$0
2016	\$350,999	\$73,158	\$27,575	\$0	\$404,513	\$337,480	\$0
2017	\$404,513	\$75,353	\$28,375	\$0	\$460,521	\$404,976	\$0
2018	\$460,521	\$77,613	\$28,375	\$0	\$519,955	\$472,472	\$0
2019	\$519,955	\$79,942	\$38,407	\$0	\$572,719	\$524,568	\$0
2020	\$572,719	\$82,340	\$28,375	\$0	\$639,218	\$576,664	\$0
2021	\$639,218	\$84,810	\$148,375	\$0	\$587,166	\$628,760	(\$41,594)
2022	\$587,166	\$87,355	\$28,375	\$0	\$659,069	\$680,856	(\$21,787)
2023	\$659,069	\$89,975	\$28,375	\$0	\$735,082	\$732,952	\$0
2024	\$735,082	\$92,674	\$30,407	\$0	\$813,297	\$785,048	\$0
2025	\$813,297	\$95,455	\$28,375	\$0	\$897,984	\$837,144	\$0
2026	\$897,984	\$98,318	\$33,875	\$0	\$981,676	\$889,240	\$0
2027	\$981,676	\$101,268	\$28,375	\$0	\$1,075,660	\$941,336	\$0
2028	\$1,075,660	\$104,306	\$28,375	\$0	\$1,174,623	\$993,432	\$0
2029	\$1,174,623	\$107,435	\$352,156	\$0	\$948,500	\$1,045,528	(\$97,028)
2030	\$948,500	\$110,658	\$28,375	\$0	\$1,051,399	\$1,097,624	(\$46,225)
2031	\$1,051,399	\$113,978	\$28,375	\$0	\$1,159,742	\$1,149,720	\$0
<b>CYCLE END TOTALS:</b>		<b>\$1,746,574</b>	<b>\$1,338,647</b>				

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular up-dates.

**CONCLUSION, PART D  
DEDICATED EXPENSE BY YEAR**

**Center Village Apartments  
April 25, 2012  
DEDICATED EXPENSES PRIOR TO APPLICATION OF EXISTING RESERVE ACCOUNT BALANCES**

COMPONENT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Grounds Retainage	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Site Drainage	0	13,700	13,700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asphalt Surfaces	0	7,620	2,032	0	0	0	0	2,032	0	0	0	0	2,032	0	0	0	0	2,032	0	0
Site Lighting	0	12,350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Concrete	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Garages	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Signs	0	2,500	0	0	0	0	0	0	0	0	0	0	0	0	5,500	0	0	0	0	0
Site Misc	4,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Siding Systems	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Siding Misc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Roofing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	299,449	0	0
Gutters	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22,300	0	0
Windows & Doors	4,000	0	0	0	0	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800
Envelope Misc	0	0	0	0	0	0	0	8,000	0	0	0	0	0	0	0	0	0	0	0	0
Kitchens & Baths	0	0	0	0	0	0	0	0	0	120,000	0	0	0	0	0	0	0	0	0	0
Appliances	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875
Décor	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400
Interior Misc.	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Domestic Hot Water	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
Heating Systems	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fire Safety	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generator	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Security	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Community Center	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Section 504	3,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Modernization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Expense	289,475	63,745	43,307	27,575	27,575	28,375	28,375	38,407	28,375	148,375	28,375	28,375	30,407	28,375	33,875	28,375	28,375	352,156	28,375	28,375
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20



Center Village Apartments  
April 25, 2012  
THE CURRENT LEVEL OF FUNDING IS SHOWN vs. TIMING OF DEDICATED EXPENSES

Year	Cash Balance Forwarded	Annual Funding	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	
2012	\$480,000	\$52,250	\$289,475	\$0	\$247,631	
2013	\$247,631	\$52,250	\$63,745	\$0	\$240,858	
2014	\$240,858	\$52,250	\$43,307	\$0	\$254,797	
2015	\$254,797	\$52,250	\$27,575	\$0	\$285,062	
2016	\$285,062	\$52,250	\$27,575	\$0	\$315,931	
2017	\$315,931	\$52,250	\$28,375	\$0	\$346,603	
2018	\$346,603	\$52,250	\$28,375	\$0	\$377,887	
2019	\$377,887	\$52,250	\$38,407	\$0	\$399,565	
2020	\$399,565	\$52,250	\$28,375	\$0	\$431,908	
2021	\$431,908	\$52,250	\$148,375	\$0	\$342,499	
2022	\$342,499	\$52,250	\$28,375	\$0	\$373,702	
2023	\$373,702	\$52,250	\$28,375	\$0	\$405,528	
2024	\$405,528	\$52,250	\$30,407	\$0	\$435,919	
2025	\$435,919	\$52,250	\$28,375	\$0	\$468,989	
2026	\$468,989	\$52,250	\$33,875	\$0	\$497,112	
2027	\$497,112	\$52,250	\$28,375	\$0	\$531,406	
2028	\$531,406	\$52,250	\$28,375	\$0	\$566,387	
2029	\$566,387	\$52,250	\$352,156	\$0	\$271,811	
2030	\$271,811	\$52,250	\$28,375	\$0	\$301,599	
2031	\$301,599	\$52,250	\$28,375	\$0	\$331,984	
<b>CYCLE END TOTALS:</b>		<b>\$1,045,000</b>	<b>\$1,338,647</b>			

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

**CONCLUSION, PART F**  
**SUGGESTED FUNDING LEVEL TO MEET THE BASELINE EXPENSES W/ 3% FUNDING INCREASE EACH YEAR**

**Center Village Apartments**  
**April 25, 2012**

**SUGGESTED FUNDING LEVEL TO MEET DEDICATED EXPENSES**

Year	Cash Balance Forwarded	Annual Funding (3% compound fund)	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	
2012	\$480,000	\$52,250	\$289,475	\$0	\$247,631	
2013	\$247,631	\$53,818	\$63,745	\$0	\$242,457	
2014	\$242,457	\$55,432	\$43,307	\$0	\$259,674	
2015	\$259,674	\$57,095	\$27,575	\$0	\$294,978	
2016	\$294,978	\$58,808	\$27,575	\$0	\$332,735	
2017	\$332,735	\$60,572	\$28,375	\$0	\$372,230	
2018	\$372,230	\$62,389	\$28,375	\$0	\$414,369	
2019	\$414,369	\$64,261	\$38,407	\$0	\$449,028	
2020	\$449,028	\$66,189	\$28,375	\$0	\$496,578	
2021	\$496,578	\$68,174	\$148,375	\$0	\$424,705	
2022	\$424,705	\$70,220	\$28,375	\$0	\$475,881	
2023	\$475,881	\$72,326	\$28,375	\$0	\$530,229	
2024	\$530,229	\$74,496	\$30,407	\$0	\$585,804	
2025	\$585,804	\$76,731	\$28,375	\$0	\$646,843	
2026	\$646,843	\$79,033	\$33,875	\$0	\$705,841	
2027	\$705,841	\$81,404	\$28,375	\$0	\$774,047	
2028	\$774,047	\$83,846	\$28,375	\$0	\$846,109	
2029	\$846,109	\$86,361	\$32,156	\$0	\$91,920	
2030	\$591,920	\$88,952	\$28,375	\$0	\$665,547	
2031	\$665,547	\$91,621	\$28,375	\$0	\$743,369	
<b>CYCLE END TOTALS:</b>		<b>\$1,403,977</b>	<b>\$1,338,647</b>			

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

## CONTINGENCY REPORT

This section of the report describes the basis for establishing a funding level for unknown conditions. Typically, these items would include components of the improvements that are unavailable for inspection and evaluation of condition. It is not based on a percentage or other factor that forms a simple cushion.

The WATER SUPPLY LINES, PLUMBING, and SANITARY FACILITIES, FLUES, CHASES, DRAINS, ELECTRICAL SUPPLY, CONDUITS, ETC., have a history of only sporadic failure and can be expected to attain a normal life span well in excess of an additional 20 years. However, during the term of this plan these components will achieve the age typically associated with problematic conditions. The degree of failure and service can only be determined over time. The initial funding rate is suggested at **\$1,000.00 per year**.

The limited common area also includes the STRUCTURE AND FOUNDATION. Water penetration and related damages is likely to have an influence on capital costs. The physical plant report includes funding to address sealants and caulking, however, not the actual deterioration of substructures.

Observations include sporadic locations of infiltration. The finish siding is metal, currently losing it's film coat integrity. While it may be possible to implement a program of cyclic film coat and painting, it is not suggested. Costs will quickly accumulate while attempting to proficiently coat the surfaces without success.

We suggest an annual funding rate of **\$2,500.00 per year**.

**TOTAL RECOMMENDED FUNDING: \$3,500.00 PER YEAR.**

Although this amount may be arbitrary in scope, it creates funding that can be adjusted in future updates after the performance history is reviewed.

## SUMMARY OF INFLUENCE FACTORS

### OPERATING POLICIES AND PROCEDURES

The property has benefited from the services of management that is aware of proficient practices and policies. The site has good curb appeal and image. Overall attention to detail is good, especially at maintenance and service levels. Modernization is present for fire and safety systems. Modernization is needed for security systems; enhancing security and curb appeal.

### UNUSUAL CONDITIONS AND EVENTS

The most unusual condition encountered involves the loss of the electrically-charged film coat of the metal siding. The anodized surfaces are obsolete.

### PREVENTATIVE MAINTENANCE AND LIFE EXTENSION

The property should maintain a service request and delivery system that records the failures, service levels, complaints, etc. of each component listed in this report. This system should also be utilized to record preventative maintenance efforts. Consider Peachtree or Safeguard work order systems.

### OPERATING BUDGET ANALYSIS

As a client of **THE REPLACEMENT RESERVE REPORT**, the agent or owner will receive annual information for a custom analysis by the Experience Exchange Division of the Institute of Real Estate Management. The service is free and confidential.

### HISTORICAL OPERATIONS

The history of the property is straightforward with no remarkable uses that would present a risk. Typical construction of modern housing built within the past 30 years do not represent exposures once associated with lead paint, asbestos, and other ills from the past.

### LOSS & RISK HISTORY

No history was available.

### MAXIMUM INCOME POTENTIAL

We did not conduct an analysis; income is apparently sufficient to support operations, debt service and a portion of capital reserves. We strongly suggest that the property regularly conduct a formal market analysis; via best of type, built up pricing method of area comparable projects.

## SUGGESTIONS FOR IMMEDIATE ATTENTION

1. Immediately address all liability issues noted in this report. Obtain an opinion from your legal counsel. Provide your attorney with a copy of this report.
2. Forward a copy of this report to your accounting professionals.
3. We suggest the following procedure:
  - a. Utilize a tracking system for failure and service levels required by the components identified in this report.
  - b. Increase awareness of possible liabilities such as toeholds, railings, etc. that exist within the common areas.
  - c. Increase the scope of line items in your operating budget to coincide with the identified titles/inventory in this report. It is important to track all expenses, of a capital and operating allocation, between up-dates and reviews.
4. Management may elect to use all, some, or none of our suggestions and predicted scenarios.
5. Develop a strategy to insulate the interior spaces from weather and water penetration. Open available cavities for inspections and services.
6. Properly finish attic spaces with make up air and proper ventilation for machinery. A proper set of stairs is included as a priority.
7. Assure that parking lot signs for resident parking do not coincide with apartment numbers. Substantial case law exists to warn of potential exposures.

## **LIMITATIONS OF THE REPORT**

During our investigation and observations, we encountered the following conditions that limited our presentation or resulted in assumptions:

1. No invasive testing was performed on any component.
2. Property perimeters were not observed for accuracy.
3. An engineering of the property has not been conducted.

**THE REPLACEMENT RESERVE REPORT** is not intended to give advice of a legal nature, and, accordingly, should not be used as such advice. An engineering of the property has not been performed, and no assessment of code compliance, any form of 21E, asbestos, or lead paint conditions offered. This **REPORT** does not warrant expressing an opinion of utility or inutility.

Many of the observations made in the **REPORT** are a result of random sampling of property components. This process would not allow for discovery of all potential defects or hazards associated with the physical plant. The report should not be used for the purpose of loss prevention or risk assessment.

Much of the information made available to the author is a result of personnel interviews, such as with managing agents, maintenance personnel, contractors, etc. While these sources are deemed reliable, they cannot be guaranteed authoritative.

The financial projections are supported for only the time frame in which they were compiled. Use of this information cannot be supported beyond that period, which would require regular review and amendments to the **REPORT**.

This information is intended for the sole use of **CENTER VILLAGE APARTMENTS**, its owners, managers, trade professionals, and others with a bonafide interest in the property. Use by any other entity is prohibited. All rights reserved under copyright laws of the United States (**RRR2012**).

Any single error within the text of the report does not void the entire report finding. Possession of the report does not necessarily constitute ownership.

## QUALIFICATIONS OF THE ANALYST

**THE REPLACEMENT RESERVE REPORT** has been prepared for numerous government-assisted housing complexes, condominium associations, developers, institutions, and other facilities throughout New England since 1984. In the spring of 1993, we opened our Cape Canaveral office to serve North and South Carolina, Georgia and Florida. In 1996, our Virginia Beach branch opened to serve the mid-Atlantic region.

**CHARLES J. STUART, CPM** is the **REPORT's** author and founder. A Certified Property Manager of the Institute of Real Estate Management, Mr. Stuart has over thirty years of industry experience and is an author and speaker regarding the subject of capital planning and replacement reserves for the Community Associations Institute (CAI). Mr. Stuart is also a past course instructor of ten years for the Institute of Real Estate Management (IREM), and a contributing editor and author for the RS Means Company, a worldwide construction consulting and estimating company. Two books are currently available, *"Facilities Maintenance and Repair Cost Data"*, now in its 7<sup>th</sup> printing, and *"Costs Planning & Estimating for Facilities Maintenance"*.

**VINCENT L. STELLA, AIA, NCARB** is a Registered Architect in Connecticut and Rhode Island with National Accreditation. Principally involved with projects of varied scope and character with values ranging from \$50,000 to \$50,000,000 for private industry, commercial, residential, and recreational uses. Extensive experience conducting inspections and assessments for HUD, CHFA, and numerous State Housing Finance Agencies.

**DUKE MOORE, AIA, LEED-AP** is a licensed Architect in the states of Connecticut, Massachusetts, and New York. Mr. Moore has extensive experience in historic preservation and commercial property inspection. The LEED-AP designation from Green Building Certification Institute signifies advanced knowledge in green building practices with the ability to bring our clients through the LEED rating system.

**STEPHEN SALA, CIVIL ENGINEER** brings twenty years of diverse experience, in the design and construction areas of engineering, from projects that span both domestic and international markets. Mr. Sala has been involved with projects varying in value from five to two million dollars. An author on the subject of construction management, Mr. Sala is also regarded as a specialist in "expert testimony" on this subject.

**JAMES A. DOHRMAN, PE - CIVIL** is registered in five states as a Professional Engineer with a specialty in *Forensic Engineering*. Mr. Dohrman has extensive international and domestic experience in solid waste and related water resource subjects as well as being an accomplished author and speaker in these areas.

**RAYLENE HULS-STRICKLER COE - ATTORNEY.** Ms. Coe worked for the Department of Business and Professional Regulation's Division of Land Sales Condominiums and Mobile Homes and has extensive experience with condominium and community association law. Ms. Coe graduated from Florida State University's College of Law in 2001 after graduating from the University of Central Florida in 1998. In the early 90's, Ms. Coe (as Mrs. Bill Strickler) was involved in the reform of property rights and community association law.

Our staff also includes experienced personnel that conduct measurements and inventory of the physical plants, and an administrative team that is experienced with AutoCad and architectural costs software systems.

## DISCLAIMER

It is assumed that the property known as **Center Village Apartments** is in compliance with all federal, state, and local laws, codes, regulations, and statutes.

**THE REPLACEMENT RESERVE REPORT** or its authors are not responsible for defects known or unknown, and reject all liability for such defects, known, or unknown, which may effect or cause harm or damage to the association or its residents.

All subsequent reviews and amendments to this **REPORT** are an expense beyond the invoice associated with this **REPORT**. **THE REPLACEMENT RESERVE REPORT** is not responsible to perform future reviews and amendments.

Any adjustments, changes, alterations, additions or deletions to this **REPORT** by anyone other than the author voids the entire report. Possession of this report does not constitute authorized ownership.

Competent management of the entity is assumed.

All values and projections are open to influences from the economy, the environment, the level of service, and the degree of actual wear and tear through use. Accordingly, all opinions expressed are subject to change.



## **APPENDIX**

ADDITIONAL PROPERTY PHOTOS

GLOSSARY OF TERMS

SAMPLE ANNUAL OPERATING CALENDAR

RELATIVE MATERIALS RECEIVED

CONNECTICUT HOUSING FINANCE AUTHORITY DIGITAL SUBMISSION VER.1

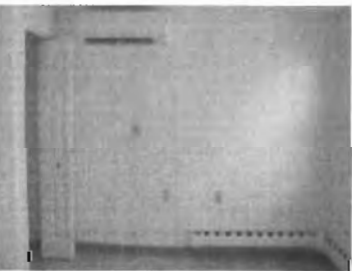
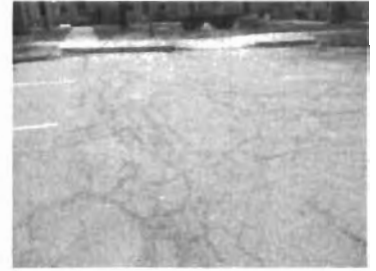
**APPENDIX MATERIAL**  
**ADDITIONAL PHOTOGRAPHS**



**NOTES:**

## APPENDIX MATERIAL

### ADDITIONAL PHOTOGRAPHS



NOTES:

## Glossary of Terms

**Cash Flow Method:** A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

**Component Inventory:** The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

**Component Method:** A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for individual components. See "cash-flow method."

**Condition Assessment:** The task of evaluating the current condition of the component based on observed or reported characteristics.

**Current Replacement Cost:** See "replacement cost."

**Deficit:** An actual or projected reserve balance less than the fully funded balance. The opposite would be a surplus.

**Effective Age:** The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly used primarily in computations.

**Financial Analysis:** The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived, and the projected reserve income and expense over time is presented. The financial analysis is one of the two parts of a reserve study.

**Component Full Funding:** When the actual or projected cumulative reserve balance for all components is equal to the fully funded balance.

**Accrued Fund Balance (AFB):** The total accrued depreciation. It's an indicator against which the actual or projected reserve balance can be compared to identify the direct proportion of the "used up" life of the current repair or replacement cost. This number is calculated for each component, and then summed together for an association total. The following formula can be utilized.  $AFB = \text{Current Cost} \times \text{Effective Age/Useful Life}$

**Fund Status:** The status of the reserve fund as compared to an established benchmark such as percent funding.

**Funding Goals:** Independent of methodology utilized, the following represent the basic categories of funding plan goals:

- **Baseline Funding:** Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- **Component Full Funding:** Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- **Statutory Funding:** Establishing a reserve funding goal of setting aside the specific minimum amount of reserves of component required by local statutes.
- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold, this may be more or less conservative than component full funding.

**Funding Plan:** An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

**Funding Principles:**

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

**Life and Valuation Estimates:** The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

**Percent Funded:** The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the accrued fund balance, expressed as a percentage.

**Physical Analysis:** The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

**Remaining Useful Life (RUL):** Also referred to as remaining life (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have “zero” remaining useful life.

**Replacement Cost:** The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

**Reserve Balance:** Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as reserves, reserve accounts, cash reserves. Based upon information provided and not audited.

**Reserve Component:** The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. Components typically are the association responsibility, have limited useful life expectancies, have predictable remaining useful life expectancies, are above a minimum threshold cost, and are as required by local codes.

**Reserve Provider:** An individual that prepares reserve studies.

**Surplus:** An actual or projected reserve balance greater than the fully funded balance.

**Useful Life (UL):** Total useful life or depreciable life is the estimated number of years that a reserve component can be expected to serve its intended function if it is properly constructed in its present application and/or installation.

# SUGGESTED ANNUAL OPERATING EVENTS CALENDAR

KEY:	Inspection	Preventative Maintenance Service	Scheduled Services	Capital Repairs	Capital Replacement
	●	●	●	●	●

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
OPERATIONS CALENDAR												
Asphalt Surfaces				● ● ●				● ● ● ●		● ● ● ●		
Tennis Courts				● ● ● ●				● ● ● ●		● ● ● ●		
Swimming Pools				● ●	● ●	● ● ● ●	● ● ● ●	● ● ● ●	●			
Siding Material	●		●		●	●	● ● ● ●	● ●	● ●		●	
Roofing Material		●		●			● ● ● ●	●		●		●
Lighting Systems	●											
Heating Boilers	● ● ●					● ● ●		● ● ● ●		● ● ● ●	● ● ● ●	● ● ● ●
Domestic Hot Water	● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Landscape			● ●		● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Pests and Insects				● ● ● ●	● ● ● ●	● ●	●		● ●	● ● ●	●	
Painting Program				●	●	●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●		
CAPITAL CALENDAR												
Building Roof #7								● ● ● ●				
Building Roof #9						● ● ● ●						
Treatment Plant									● ● ● ●			

Calendar assumes a four week month. By no means all inclusive; a sample only. Schedule should include components unique to the property.

**CENTER VILLAGE - GLASTONBURY, CT - 50 UNITS**

**SHRP - TECHNICAL SERVICES C.N.A. CHECKLIST - MAY 2012**

SCOPE of WORK		TIMEFRAME and ESTIMATED COST of WORK				COMMENTS
		Priority - Year 1	Years 2 - 5	Years 6 - 15	Years 16 - 20	
Component	Work Included in C.N.A.	C.N.A. Cost Estimate	C.N.A. Cost Estimate	C.N.A. Cost Estimate	C.N.A. Cost Estimate	
1 Site Improvements	grading, asphalt, lighting	\$8,400	\$67,902	\$49,564	\$22,032	overdue at 37 years
2 Building Exterior	envelope failing, doors	\$254,800	\$0	\$0		replace siding
3 Roofing	cyclic replacement year 18			\$8,000	\$325,749	includes gutters, doors, lights
4 Lobby - Mail Area	n/a					rural boxes outside
5 Community Room	regular enhancement	\$500	\$2,500	\$5,000	\$2,500	electronics, furnishings
6 Common Hallways	n/a					
7 Common Stairways	n/a					
8 Common Laundry	community center expenses					operating accounts and contractor
9 Common Area Restrooms	community center expenses					operating accounts and contractor
10 Building Boilers	recent CL & P retrofit					beyond 20 years
11 Building Mechanical	domestic hot water	\$2,850	\$14,250	\$28,500	\$14,250	\$2,850 per year
12 Building Electrical	generator, fire safety, security	\$250	\$3,750	\$10,000	\$3,750	small portable units
13 Building Elevator	n/a					
14 Building Structural	see Contingency	\$9,000	\$0	\$15,000	\$7,500	annual replacement
15 Unit Living	annual décor	\$15,400	\$77,000	\$154,000	\$77,000	vinyl tile decoration for all units
16 Unit Kitchens	with annual appliances	\$3,875	\$19,375	\$158,750	\$19,375	1-time cabinets, annual appliances
17 Unit Bathrooms	included above in Kitchens	\$3,500				Section 504 self-evaluation
18 Unit Electrical	see Contingency	\$1,000	\$5,000	\$10,000	\$5,000	annual replacement
19 Unit Mechanical	see Contingency	\$1,000	\$5,000	\$10,000	\$5,000	annual replacement
Annual Planned Expenditures Cost Per Unit		\$300,575	\$194,777	\$448,814	\$482,156	\$1,426,322