

CHURCHILL VILLAGE-SOUTH HOMEOWNERS ASSOCIATION INC.

c/o Vanguard Management Associates, Inc.
P.O. Box 39 • Germantown, Maryland 20875-0039
(301)540-8600 X3007

November 2017

Dear Churchill Village-South Homeowners,

The Board of Directors for the Churchill Village-South Homeowners Association Inc., has approved an operating budget for the fiscal year beginning January 1, 2018. The monthly assessment will increase by 3% to \$99.95 per home.



All payments should be mailed to the address on the coupon which is the “lockbox” address for Churchill Village-South Homeowners Association where your check is deposited when received.

★ ★ ★ IMPORTANT INFORMATION REGARDING YOUR ASSESSMENT PAYMENT ★ ★ ★

- **The address for payment only is:** P.O. BOX 93687
Las Vegas NV 89193-3687
- Please make sure to use the coupons and envelopes that are sent to you when you are mailing your payment.
- ***If you set-up Recurring ACH Payment (Direct Debit) on the Alliance Association Bank website, you must update your automatic payment amount. Please log onto www.vanguardmgt.com and click on “Resident Resources” to link to AAB.***
- ***If you use your bank’s online bill pay service please verify the mailing address and amount prior to making payment.***
- Payments should not to be mailed or hand delivered to the Vanguard Management office. Checks received in the office will be returned “Return to sender”.
- You may also pay your assessment at your community association bank website, Alliance Association Bank (AAB), by credit card or one time electronic payment. You must have your coupon with you in order to complete this process. Please log on to www.vanguardmgt.com and click on “Resident Resources” to link to AAB to make payments by credit card or electronic payment. Please allow 4 business days for processing. Credit card payments are subject to a convenience fee charged by the bank. (The Management ID, Association ID and Unit Number are all at the bottom of the coupon. Please make sure to use all preceding zeros. There is an example online to assist you in setting up online payment using a coupon.)
- If you are currently enrolled in direct debit through our office you do not need to take any action.

You are reminded that the monthly assessment payment is due the first (1st) day of each month and is considered late if not received by the thirtieth (30th) day of the month. Late payments may be subject to late fees and collection costs. You will receive no further notices so please place your coupons in a secure place, as there may be a charge for a replacement set.

PLEASE MAKE ALL CHECKS PAYABLE TO:
“Churchill Village-South Homeowners Association”
AND REFERENCE THE ACCOUNT NUMBER ON YOUR CHECK

Please note that the Churchill Village-South Homeowners Association has its own extension number at Vanguard Management. You can conduct most business, reach the accounting department or reach the community manager by calling (301)540-8600 and dialing extension **3007**. There will be a number of menu selections that will facilitate your business with the Association. All written correspondence should be sent to the address shown at the top of this letter and questions about your account should be directed to (301)540-8600 x3303. You may also communicate with Vanguard Management by visiting Vanguard’s web site at www.vanguardmgt.com, click on “Community Contact Info” and then “Churchill Village-South Homeowners Association”.

Please also note that, under Chapter 10B of the Montgomery County Code, the Office of Common Ownership Communities and the Commission on Common Ownership Communities (CCOC) offers dispute resolution, education, and other services to owners and residents of common ownership communities in Montgomery County.

For the Board of Directors,
Churchill Village South
Homeowners Association, Inc.

Deborah Montgomery
Community Manager
(301)540-8600 x3336
dmontgomery@vanguardmgt.com

2018 Meeting Schedule

The Association Board of Directors meetings in 2018 are currently scheduled for the 2nd **Wednesday** of each calendar month, **7:30 p.m.**, at the **Wanegarden Community Center, 13601 Wanegarden Drive, Germantown, Maryland**. Meeting dates for 2018 are:

January 10, 2018 Regular Meeting	August 8, 2018 Regular Meeting
February 14, 2018 Regular Meeting	September 12, 2018 Budget & Regular Meeting
March 14, 2018 Regular Meeting	October 10, 2018 Approve budget
April 11, 2018 Regular Meeting	October 14, 2018 Annual Meeting (Sunday)
May 9, 2018 Regular Meeting	November 14, 2018 Regular Meeting
June 13, 2018 Regular Meeting	December No Meeting
July 11, 2018 Regular & Budget Meeting	

CHURCHILL VILLAGE-SOUTH HOMEOWNERS ASSOCIATION, INC.

2018 OPERATING BUDGET
January 1 through December 31
BUDGET SUMMARY

Monthly Assessment:					
	\$99.95	3.04%	Increase over 2017		
ANNUAL					
TOTAL:	FY2017	\$	%		
	Total	Change	Change		
INCOME:					
Residential Assessments:					
CV-S General (SF, TH, WCTH & Villas)	\$868,365.60	\$842,736.00	\$25,629.60	3.04%	
Willow Cove Manor Condominiums	\$117,541.20	\$114,072.00	\$3,469.20	3.04%	
Interest to Homeowners for Late Payments	\$1,020.00	\$1,020.00	\$0.00	0.00%	
Reimbursement - Condominium Grounds Maint.	\$15,118.78	\$13,510.76	\$1,608.02	11.90%	
Swim Team Income	\$2,500.00	\$0.00	\$2,500.00	#DIV/0!	
Miscellaneous - Community Center, Pool	\$4,700.00	\$4,700.00	\$0.00	0.00%	
Interest Income	\$0.00	\$101.97	(\$101.97)	-100.00%	
ADJUSTED INCOME:	\$1,009,245.58	\$976,140.72	\$33,104.86	3.39%	
EXPENSES:					
Master Association Dues:					
Churchill Community Foundation	\$34,524.00	\$34,524.00	\$0.00	0.00%	
<i>Sub-Total:</i>	<i>\$34,524.00</i>	<i>\$34,524.00</i>	<i>\$0.00</i>	<i>0.00%</i>	
Reserve Contributions - Based upon 2014 Revised Reserve Study prepared by Miller Dodson:					
Gross Contribution	\$218,875.00	\$208,482.00	\$10,393.00	4.99%	
Less: Reserve Interest:	(\$12,322.99)	(\$7,043.84)	(\$5,279.15)	74.95%	
Net Reserve Contribution:	\$206,552.01	\$201,438.16	\$5,113.85	2.54%	
General & Administrative:					
Management, Audit, Legal, Professional Fees	\$107,030.96	\$104,990.66	\$2,040.29	1.94%	
Postage, Printing, Coupons, Web Site	\$14,048.74	\$14,069.62	(\$20.88)	-0.15%	
Insurance	\$9,000.00	\$9,000.00	\$0.00	0.00%	
Bad Debt Expense	\$15,000.00	\$16,206.00	(\$1,206.00)	-7.44%	
Dues & Subscriptions, Record Storage	\$2,227.20	\$2,227.20	\$0.00	0.00%	
Taxes/Water Qual. Protection, Banking Fees	\$25,475.68	\$21,863.33	\$3,612.35	16.52%	
Miscellaneous, Meetings/Recording Sec.	\$3,630.00	\$3,486.00	\$144.00	0.00%	
Street Light Electricity	\$16,620.00	\$18,000.00	(\$1,380.00)	-7.67%	
Social & Recreation - General & Swim Team	\$9,500.00	\$9,500.00	\$0.00	0.00%	
County Commission	\$2,530.00	\$2,530.00	\$0.00	0.00%	
<i>Sub-Total:</i>	<i>\$205,062.57</i>	<i>\$201,872.81</i>	<i>\$3,189.76</i>	<i>1.58%</i>	
Pool Operation:					
Management, Pool Pass Admin.	\$123,923.36	\$104,153.65	\$19,769.71	18.98%	
Repairs, Supplies	\$11,600.00	\$12,100.00	(\$500.00)	-4.13%	
Swim Team	\$2,500.00	\$0.00	\$2,500.00	#DIV/0!	
Utilities: Telephone; Electric; Gas; Water & Sewer	\$23,840.00	\$23,840.00	\$0.00	0.00%	
<i>Sub-Total:</i>	<i>\$161,863.36</i>	<i>\$140,093.65</i>	<i>\$21,769.71</i>	<i>15.54%</i>	
Community Center Operation:					
Repairs	\$2,400.00	\$2,400.00	\$0.00	\$0.00	
HVAC & Fire Extinguisher Maintenance	\$5,075.00	\$3,100.00	\$1,975.00	63.71%	
Administration, Supplies, Computer	\$3,218.35	\$3,100.00	\$118.35	3.82%	
Utilities: Telephone & Electric	\$15,810.00	\$16,200.00	(\$390.00)	-2.41%	
<i>Sub-Total:</i>	<i>\$26,503.35</i>	<i>\$24,800.00</i>	<i>\$1,703.35</i>	<i>6.87%</i>	
Site Improvement:					
Landscaping Improvements	\$22,000.00	\$24,000.00	(\$2,000.00)	-8.33%	
Community Bldg & Capital Improvements	\$3,500.00	\$7,000.00	(\$3,500.00)	-50.00%	
<i>Sub-Total:</i>	<i>\$25,500.00</i>	<i>\$31,000.00</i>	<i>(\$5,500.00)</i>	<i>-17.74%</i>	
General Maintenance:					
Tree & Shrub Maintenance	\$37,000.00	\$27,600.00	\$9,400.00	34.06%	
Site Maintenance	\$17,400.00	\$17,400.00	\$0.00	\$0.00	
Parking Lot & Street Light Maintenance	\$10,000.00	\$11,000.00	(\$1,000.00)	-9.09%	
<i>Sub-Total:</i>	<i>\$64,400.00</i>	<i>\$56,000.00</i>	<i>\$8,400.00</i>	<i>15.00%</i>	
Contract Maintenance:					
Grounds Maintenance	\$133,772.29	\$119,544.38	\$14,227.91	11.90%	
Trash Removal	\$46,968.00	\$46,968.00	\$0.00	0.00%	
Ground Cleaning Maint, Pet Station	\$15,840.00	\$15,840.00	\$0.00	0.00%	
Snow Clearing	\$70,000.00	\$70,000.00	\$0.00	0.00%	
Security System Maintenance	\$500.00	\$500.00	\$0.00	0.00%	
Courtesy Patrol	\$3,060.00	\$3,060.00	\$0.00	0.00%	
Operating Contingency	\$14,700.00	\$30,000.00	(\$15,300.00)	-51.00%	
<i>Sub-Total:</i>	<i>\$284,840.29</i>	<i>\$285,912.38</i>	<i>(\$1,072.09)</i>	<i>-0.37%</i>	
TOTAL EXPENSES:	\$1,009,245.57	\$975,641.00	\$33,604.58	3.44%	
NET INCOME/(LOSS)	\$0.00	\$499.73	(\$499.72)		

CHURCHILL VILLAGE-SOUTH

HOMEOWNERS ASSOCIATION, INC.

www.churchillvillagesouth.org

OPERATING BUDGET NOTES

I. **SETTLED HOMES:** The actual number of homes that are part of the Association.

A. ***CVS General:*** The non-condominium, single family and townhouse homes within the community plus the condominium homes of the Willow Cove Townhouse and Villas at Willow Cove Condominiums which pay CVS directly.

B. ***Willow Cove Manor Condominiums:*** The assessments collected for the condominium homes that are also part of The Willow Cove Manor Condominium. The assessments are paid through the Condominium.

II. **INCOME:**

A. ***Residential Assessments:*** Total Funds generated from the monthly assessment multiplied by the total number of settled homes within Churchill Village-South (CVS), including the condominium homes of The Villas at Willow Cove, A Condominium, Willow Cove Manor Condominium and Willow Cove Townhouse Condominium.

B. ***Interest to Homeowners for Late Payments:*** Estimated funds collected from interest charges applied for late assessment payments in accordance with Association's Declaration of Covenants and the approved collection policy.

C. ***Reimbursement - Condominium Grounds Maintenance :*** Income generated from the reimbursement for grounds maintenance services performed for the Willow Cove Manor Condominium and the Villas at Willow Cove Condominium common areas.

D. ***Swim Team Income:*** A new line item for 2017, this reflects the income generated by the swim team toward funding the expenses described below.

E. ***Misc. Income - Community Center:*** Estimated income generated from the rental fees paid for private use of the Community Center.

F. ***Misc. Income - Swimming Pools:*** Estimated income generated from fees collected from guest use of the swimming pools.

G. ***Interest Income:*** Estimated income generated by interest earned on operating funds held in accounts other than the operating checking account.

III. **EXPENSES:**

A. **MASTER ASSOCIATION DUES:**

1. ***Churchill Community Foundation:*** Fees paid to the Churchill Community Foundation, as required, for the maintenance of Lake Churchill, including future major maintenance, based upon a current rate of \$3.50 per home per month.

B. **RESERVE CONTRIBUTION:**

1. ***Gross Contribution:*** The total gross reserve contribution necessary to meet the funding goals established through the comprehensive reserve study, professionally prepared by Miller Dodson & Associates (updated in 2015), which has estimated the expected useful life and replacement cost of each community common element asset. Standard practice is to update this study every 5-6 years.

2. ***(Less) Reserve Interest:*** Allocation of the interest income earned by the deposit of reserve funds in secure investment vehicles such as money market and certificate of deposit accounts. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals (gross contribution) established through the professional reserve study. Earnings are projected based upon current market interest rates.



3. **Net Reserve Contribution:** The actual cash outlay for deposit into reserve accounts as necessary to meet the established funding goals as noted above.

C. **GENERAL & ADMINISTRATIVE EXPENSES:**

1. **Management Fee:** Expense for professional management company to provide property management, financial management and consultation services to the Association based upon a contracted fee.

2. **Audit/Tax Preparation:** Expense for an independent Certified Public Accounting (CPA) firm to conduct an annual audit of the Association books and records in accordance with the Association's legal documents. Included, is the preparation of the required annual income tax returns (federal and state) and Maryland Personal Property returns.

3. **Legal Fees:** Allowance for payment to legal counsel for such work as collection assistance, legal opinions and/or other legal services as may be required.

4. **Professional Services:** Allowance for funds to retain professional assistance for such functions as performing a reserve study, engineering consultations, surveying property boundaries of common property and/or other professional assistance as may be required.

5. **Postage:** Allowance for postage for Association-wide mailings for the Annual Meeting notices (September and October), the budget mailing (November), mailing for pool pass application information (March) as well as miscellaneous postage needs throughout the year.

6. **Insurance:** Expense for carrying the insurance coverage required by the Association Declaration. Coverage includes:

- a. General Liability (\$1,000,000.00),
- b. Buildings & All-Risk (Replacement Cost),
- c. Fidelity Bond Insurance (\$1,250,000.00), and
- d. Directors' & Officers' Liability (\$1,000,000.00).
- e. General Liability for Swim Team (\$2,000,000.00)

7. **Bad Debt Expense:** Allowance for uncollectible delinquent accounts due to homeowner bankruptcies or mortgage foreclosures by lenders. As older delinquencies have been "cycling" out of the system, by either collecting them or charging them off, the Association has been able to reduce this allowance for 2018.

8. **Dues & Subscriptions:** Allowance for annual membership dues to the Community Associations Institute (CAI) as well as funds for educational opportunities for the Board members or other volunteer participants.

9. **Printing & Reproduction:** Allowance for the printing of the materials associated with the mailings described in *Postage* above.

10. **Coupon Printing:** Allowance for the provision of the annual payment coupon booklets.

11. **Property Taxes/Water Quality Protection Charge:** Allocation of funds for payment of applicable property taxes and the Montgomery County water quality protection charge on common parcels owned by the Association.

12. **Income Taxes:** Allowance for payment of income taxes on non-assessment income (e.g. interest) as determined by the auditor.

13. **Record Storage:** Funding to cover the expense for the storage of the Association's historical archive records.



14. **Web Site:** Allocation of funds for the payment of fees associated with the web domain, hosting and support services from an outside vendor. The web site address is www.churchillvillagesouth.org.

15. **Electricity - Street Lights:** Expenses for the operation of the CVS owned street lights on some private streets within the community as well as a fee to Allegheny Power for the operation, repair, and/or replacement of street lights on other private streets within the community.

NOTE: *All street lighting on streets serving single family detached homes are publicly owned, operated and maintained*

Report problems to Montgomery County: 3-1-1 or <http://www.montgomerycountymd.gov/mc311/>

16. **Miscellaneous G & A:** Funds allocated for miscellaneous Board expenses.

17. **Social & Recreation - Community Events:** Funds allocated for social events that are available to all community members. Recommendations for the use of these funds is provided by the Recreation Committee to the Board of Directors. This line item also includes funds allocated to help support other community-sponsored events such as the community yard sale and a spring “clean-up” day around Lake Churchill.

18. **Social & Recreation - Swim Team:** Funds allocated for the Churchill Village-South swim team to help defray operating costs.

19. **Recording Secretary/Meeting Expense:** Fees paid to a recording secretary for attendance at annual and monthly Board meetings and preparation of the meeting minutes.

20. **Montgomery County Commission:** The allowance for the payment of fees assessed by the Montgomery County Commission on Common Ownership Communities (CCOC) which was established to provide certain dispute resolution and educational support services to community associations within the County. Payment of the annual \$5.00 per home fee will be made in July as billed by the County.

21. **Bank & Checking Charges:** Allowance for service charges on the Association’s commercial checking account for transaction and direct debit fees.

D. POOL OPERATION:

1. **Pool Management:** Payment to a pool management company for complete management of the two (2) community swimming pools from opening day (Memorial Day) to closing (Labor Day). The pool management company provides “turnkey” operation and maintenance of the facilities, including lifeguards, chemicals, supplies and supervision of the facilities. The cost is impacted by the increasing minimum wage level adopted by the Montgomery County Council.

2. **Pool Pass Distribution:** Allocation of funding for contracting out the distribution of swimming pool passes as well as for the cost of printing the passes.

3. **Repairs:** Allowance for pre-season repairs as well as minor, day-to-day repairs at both pools. Such repairs may include skimmer repair, minor concrete repair, and minor repairs to the bathhouse facilities.

4. **Swim Team Expenses:** The projected expenses for the operation of the swim team (offset by above described income generated by the swim team).

5. **Supplies:** Allocation of funds for miscellaneous office supplies and other supplies (e.g. hoses, clocks, first aid supplies) needed for the daily operation of the pools.

6. **Telephone:** Expenses for the coin operated telephones at the each pool as required by Maryland law.



7. **Electricity:** Expenses for electricity required to operate the pump motors, lighting and other equipment at the swimming pools and bathhouses. This line item reflects the costs for the Winterspoon pool only. Cost relating to the Wanegarden pool are within the Community Building Electricity below.

8. **Water & Sewer:** Expense for water to fill the swimming pools in the spring, maintain the water level during the season, and fulfill the other water needs at the pools and bathhouses.

E. **COMMUNITY BUILDING OPERATION:**

1. **General Repairs:** Allocation of funds for miscellaneous repairs to the community center facilities. This covers such items as door adjustment, plumbing repairs, siding repair and other minor work.

2. **Electricity:** Expenses for the operation of the lighting, HVAC equipment and office equipment at the community center building.

3. **Telephone:** Allowance for the expense of the coin operated telephone and the business line for the CVS Hot Line.

4. **Administration:** Funds allocated for payment of a stipend to an administrator to schedule, monitor and control the use of the community center facilities.

5. **Misc. Supplies/Computer:** Allocation of funds for miscellaneous supplies for the office at the community center as well as the maintenance of the computer equipment.

6. **Fire Extinguisher Maintenance:** Allocation of funds for annual certification and/or re-charging of the fire extinguishers at the community center.

7. **HVAC Maintenance:** Allowance for a service contract for the preventative maintenance of the heating, ventilation and air conditioning (HVAC) equipment serving the community center building.

F. **SITE IMPROVEMENT:**

1. **Misc. Landscaping Improvements:** Allowance for major common ground landscaping maintenance and improvement projects, including the replacement of trees that have been lost through attrition or other reasons.

2. **Community Building Improvements:** Allowance for improvements at the community building such as furniture, entrance features and mats, as well as upgrades and maintenance of the CVS computer.

3. **Capital Improvements:** Allowance for special projects as may be determined by the Board of Directors.

G. **GENERAL ASSOCIATION MAINTENANCE:**

1. **Tree Maintenance:** Funds allocated for the maintenance/pruning of common area trees, removal of large trees and emergency tree maintenance.

2. **Street Light Repair:** Allowance for the repair and/or replacement of Association privately owned street lights.

3. **Site Maintenance & Repair:** Expenses for minor repair to common areas, tot lots and grounds, policing for trash, repair of common area fencing, etc.

4. **Parking Lot Maintenance:** Funds allocated for the cleaning of sand and debris from Association owned streets. This work typically is performed in April/May.



H. **CONTRACT MAINTENANCE:**

1. **Grounds Maintenance:** Funds allocated for regular grounds maintenance services such as turf mowing, trimming, edging as well as weed control and fertilization of all CVS owned common areas as well as the common areas within the Willow Cove Manor and Villas at Willow Cove Condominiums for which the Condominiums reimburse CVS as noted in Income above..
2. **Trash Removal:** Allowance for twice weekly curbside pickup of homeowner generated trash by current contractor - Ecology Services. Current pickup days are Mondays and Thursdays.

Also included is the cost for a dumpster placed at the Community Center for trash generated from use of the facilities as well as a seasonal dumpster placed at the Winterspoon swimming pool facility for trash generated at the pool facility during the season.

NOTE - Recycling is not a part of your Association dues. The recycling collection is performed by the Montgomery County Government through contracted service and is a part of your County property tax bill.

Contact information: Montgomery County Division of Solid Waste Services
Department of Public Works and Transportation
101 Monroe Street, 6th Floor • Rockville, Maryland 20850
Contact Montgomery County: 3-1-1 or <http://www.montgomerycountymd.gov/mc311/>

3. **Grounds Cleaning/Maintenance:** Allowance for the costs related to the removal of bulk trash that is dumped upon the Association common areas.
4. **Pet Station Maintenance:** Allocation for the costs related to the servicing of the several pet waste stations throughout the community including the collection of waste and re-stocking of bags in the dispensers.
5. **Snow Clearing:** Funding has been allocated during the winter season for the plowing and sanding of the common driveways, private streets and a limited number of sidewalks, particularly those **that are not directly in front of an individual home** as well as some within the Montgomery County owned rights-of-way.

The laws requires private homeowners, including those in townhomes, to clear the sidewalks at the front of their homes, even though they may actually be common sidewalks.

NOTE: The streets serving all single family detached homes are maintained and plowed by the Montgomery County Department of Public Works & Transportation (DPW&T). **Contact Montgomery County:** 3-1-1 or <http://www.montgomerycountymd.gov/mc311/>

6. **Courtesy Patrol:** Allocation for the cost related to having a periodic, random patrol of Association common areas during late evening hours to observe activity.
7. **Security System Hardware:** Allocation for the costs related to servicing the surveillance camera systems in place at the Community Center and Winterspoon pool facilities.
8. **Operating Contingency:** Provision for those unexpected expenses encountered by the Association which exceed the above budgeted amounts.