



SCHEDULE E

CAPITAL IMPROVEMENT PLAN AND RESERVE STUDY

2026-2044

Updated After Completion of the 2026 Roof and Skylight Project

Schedule E reserve-study update for five buildings and sixteen homes

August 29, 2026



Board Presentation Brief

Presentation objective. Ask the Board to adopt Schedule E as the planning baseline, authorize the 2027 envelope investigation, and keep the exterior wall program on a separate capital-project funding track until scope, bids, and financing are confirmed.

Key Messages for the Board

- The 2026 roof and skylight replacement is complete; the immediate task is closeout, warranty preservation, and final cost reconciliation.
- FHCA's next material exposure is the exterior wall system: siding, WRB, flashing, trim, and related corrective work.
- Ordinary reserve-funded assets remain manageable only if the Board maintains the reserve floor, updates pricing annually, and does not use routine reserves to absorb the wall program.
- The siding sequence should remain Building 416 in 2027, Building 420 in 2028, then Buildings 408, 412, and 414 in 2032 after loan payoff unless formally amended.
- The current \$5,600 annual reserve contribution is not enough to fund the exterior wall program; that program requires a separate capital funding decision. Require HOAs fund reserves at a minimum of 10% of the total operating budget.

Decisions Requested

1. Accept the 2026 roof/skylight project as complete for planning purposes and direct completion of the closeout record.
2. Authorize the 2027 envelope condition survey and retaining-wall engineering.
3. Confirm the siding sequence, owner window-readiness process, and scope assumptions before final bidding.
4. Direct that the expected 2032 debt-service capacity be reserved first for Buildings 408, 412, and 414 siding work.
5. Adopt annual refresh controls so the plan is updated before each budget cycle with current costs and reserve balances.

Funding Takeaway

Funding track	Board point	Current planning figure
Ordinary reserves	Protect the reserve floor and update costs annually.	\$319,070 scheduled uses through 2044.
Exterior wall program	Keep separate until survey, bids, and financing are approved.	\$818,400 early capital program midpoint before financing and contingency.

Suggested Presentation Flow

Open with the completed roof milestone, then shift quickly to the Board decision point: the exterior wall program is the next major exposure and should not be treated as an ordinary reserve item. Walk through the 2027 survey, the adopted siding sequence, and the 2032 debt-service transition. Close by asking the Board to adopt the plan as a planning baseline and authorize only the next investigation and budget-year actions.

1. Reserve Study Summary

EXECUTIVE CONCLUSION. The 2026 roof and skylight replacement is complete. FHCA’s next material reserve exposure is the exterior wall system—siding, WRB, flashing, trim, and related corrective work. Ordinary reserve items remain manageable through annual updates and reserve-floor discipline; the exterior-envelope program requires a separate Board funding decision before work is authorized.

Reserve-Study Purpose and Basis

This Schedule E update is a Board decision record, not a construction authorization. It identifies common-area components, assigns remaining useful life, sequences major work, and distinguishes routine reserve activity from capital projects that require separate approval. Each project still needs current scope, pricing, funding approval, and closeout documentation before execution.

Reserve-study element	How this document addresses it
Component inventory	Lists common-area assets, status, next checkpoint, planning basis, and funding responsibility.
Remaining useful life	Converts condition, age, risk, and inspection timing into replacement or review years.
Funding method	Keeps routine reserve items separate from the exterior wall program, which exceeds the current ordinary reserve contribution.
Annual update	Defines the annual cycle for inspection, re-pricing, reserve-balance reconciliation, and Board adoption.

What Changed from the Prior Plan

- Records roof replacement as complete in 2026 and removes future roof construction spending from this plan horizon.
- Identifies the exterior wall system—siding, WRB, flashing, trim, and related corrective work—as the next major program.
- Separates routine reserve work from projects requiring separate financing, so the reserve outlook remains clear.
- Labels uncertain figures as provisional or TBD rather than final costs.

Board Reserve Decisions Required

Decision	Why it matters	Deadline	Consequence if delayed
Authorize envelope survey	Confirms siding, WRB, flashing, window-readiness, and retaining-wall scope before bids are treated as reliable.	2027	The Board may approve pricing before understanding concealed-condition risk, owner coordination, or scope gaps.
Confirm siding sequence	Keeps bidding, resident notice, window readiness, and financing communication aligned around the adopted order: 416, 420, then 408/412/414.	Before bidding	Bids may reflect inconsistent scopes, and owners may receive conflicting timing expectations.
Direct post-loan capacity	Reserves freed annual debt-service capacity for Buildings 408, 412, and 414 before any longer-range reserve redirection.	Before 2032 budget	The plan may underfund the highest-cost remaining envelope work or overstate future reserve flexibility.

2. Capital Improvement and Reserve Schedule

Schedule Summary

The schedule has three executive phases. First, 2026 is a closeout year: preserve the roof and skylight warranty, permit, lien-waiver, photo, and final-cost record. Second, 2027-2032 is the exterior-envelope program: confirm scope, address retaining-wall and fire-separation items, replace siding on Building 416 in 2027 and Building 420 in 2028, then complete Buildings 408, 412, and 414 in 2032 after the existing loan is paid off. Third, 2033-2044 returns the plan to ordinary reserve-managed work, including pavement seal coats, gutters, lighting, fencing, utilities, drainage, and the next roof-life inspection.

Gantt-Style Project Timeline

Workstream	2026	2027	2028	2032	2034-37	2039-44
Roof/skylight closeout	Complete					
Envelope survey / scope		Survey				
Siding / WRB / flashing		416	420	408/412/414		
Reserve-managed assets				Mailbox	Seal/gutters/lights/fence	Utilities/drainage/roof study

Planning only. Condition findings, approved funding, and Board action control actual authorization.

Use the dates as decision checkpoints. The Board should advance, defer, or re-sequence work only when inspection results, owner readiness, and available funding support the change.

NOW - 2027	2027 - 2032	2033 - 2044
Close and diagnose Finish the roof record; survey the envelope; engineer the remaining wall; define corrective soffit/fire-separation scope.	Execute the wall program Replace siding/WRB/flashing/trim on Building 416 in 2027 and Building 420 in 2028. Complete Buildings 408, 412 and 414 in 2032 after the existing loan is paid off.	Protect long-life assets Fund recurring pavement care, gutters, lighting, fencing, utilities, drainage and the next roof-life study.

Near-Term Action Schedule: 2026-2032

Year	Project	Priority	Planning allowance*	Funding / control
2026	Roof/skylight closeout, warranties and final cost reconciliation	High	Closeout	Existing 2026 project
2027	Envelope condition survey and preliminary scope confirmation	Critical	\$15,300	Capital project funding
2027	Upper-right retaining wall - engineering and replacement allowance	High	\$35,700	Capital project funding
2027	Bumpout soffits and garage fire-separation upgrades	High	\$33,150	Capital project funding

Year	Project	Priority	Planning allowance*	Funding / control
2027	Siding/WRB/flashing/trim - Building 416	Critical	\$137,700	Capital project funding
2028	Driveway seal coat and crack repair	Routine	\$8,323	Reserve fund
2028	Siding/WRB/flashing/trim - Building 420	High	\$140,454	Capital project funding
2032	Siding/WRB/flashing/trim - Building 408	High	\$152,032	Capital project funding
2032	Siding/WRB/flashing/trim - Building 412	High	\$152,032	Capital project funding
2032	Siding/WRB/flashing/trim - Building 414	High	\$152,032	Capital project funding
2032	Mailbox and post replacement	Medium	\$4,505	Reserve fund

*Rounded midpoint escalated at 2% annually from 2026 dollars. Add scope-specific contingency after the scope is defined.

SIDING SEQUENCE Building 416 is the first siding phase in 2027, followed by Building 420 in 2028. Buildings 408, 412, and 414 are scheduled together for 2032 after the existing loan is paid off and annual debt-service capacity becomes available for the remaining exterior program. The 2027 condition survey and owner window-readiness review should refine scope and cost allowances. Any change to this sequence requires a formal Capital Plan amendment.

Long-Range Action Schedule: 2033-2044

Year	Project	Priority	Planning allowance*	Funding / control
2034	Driveway seal coat and crack repair	Routine	\$9,373	Reserve fund
2034	Gutter/downspout condition-based replacement allowance	Medium	\$34,564	Reserve fund
2035	Site and parking light heads	Medium	\$18,524	Reserve fund
2037	Perimeter fencing and rail	Medium	\$51,600	Reserve fund
2039	Water and sanitary mains allowance	High	\$155,233	Reserve fund
2040	Driveway seal coat and crack repair	Routine	\$13,195	Reserve fund
2042	Stormwater drains and entry sign allowance	Medium	\$13,041	Reserve fund
2044	Roof remaining-life inspection and next-cycle reserve study	Medium	\$10,712	Reserve fund

The 2045 deck replacement year and later cycles for pavement, retaining walls, lighting poles, and roofs fall outside this document and belong in the next plan extension.

Condition Overrides the Calendar

- Advance work immediately for life-safety, active water intrusion, structural movement, utility failure or code concerns.
- Defer only when a documented inspection supports continued service and the deferral does not increase downstream damage.
- Do not replace solely because a nominal useful-life year has arrived; verify condition, warranty and maintenance history first.

3. Reserve Funding Analysis

The funding issue is straightforward: ordinary reserves can cover the recurring, lower-frequency assets only if the Board maintains a reserve floor and updates costs every year. The exterior wall program is too large for the current reserve contribution. It should stay on a separate capital-project track until the 2027 survey, bid results, financing decision, and 2032 debt-service transition confirm how the work will be paid for.

EXECUTIVE FUNDING CONCLUSION. The current \$5,600 annual reserve contribution is not sufficient to absorb the phased exterior wall program. Treat siding, WRB, flashing, trim, and related corrective work as a separate capital funding decision; do not let it dilute the reserve plan for ordinary assets.

Reserve and Capital Funding Tracks

Funding track	What it covers	Planning implication
Capital project funding	Envelope survey, remaining retaining wall, bumpout/fire-separation work, and phased siding.	Current escalated midpoint: \$818,400, including listed early-scope items before financing, contingency, and final scope adjustments.
Reserve fund	Seal coats, mailbox replacement, gutters, lighting, fencing, utilities, drainage, and roof-life study.	Scheduled escalated uses through 2044: \$319,070, subject to annual re-pricing and reserve-floor protection.
Future cycle reserve	Decks after 2044, pavement and retaining-wall cycles after 2052, site-light poles, and eventual roof replacement.	Extend the funded horizon annually so next-cycle costs are visible before they become urgent.

Reserve Strategy After Loan Payoff

The expected 2032 loan payoff creates the next funding decision point. For planning purposes, the current \$41,541 annual debt-service obligation should be reserved first for the remaining siding phases on Buildings 408, 412, and 414. The Board should not redirect that capacity to long-range reserves until the 2032 siding work is scoped, funded, and completed.

2026	2031	2032	2039	2044
Opening reserve basis	Loan payoff checkpoint	Fund 408 / 412 / 414 siding	Rebuild long-range reserves	Continue reserve study cycle

These dates are checkpoints, not approvals. After 2032, reserve balances must be recalculated using actual siding costs, final loan payoff, approved funding decisions, and the reserve floor in effect at that time.

Funding Rules

- Protect a working reserve floor of at least \$25,000, and raise it when active construction, utility risk, or insurance exposure warrants.
- Use a 10% contingency for defined major projects. Use at least 15% for underground or concealed-condition work until investigation and bids narrow the risk.
- Treat 2% escalation as a planning placeholder only. Replace it each year with current bids or a recognized construction-cost index.
- Do not count unapproved assessments or new loans as cash. Beginning in 2032, apply freed debt-service capacity to the remaining siding phases before any other redirection.
- Keep operating maintenance separate from capital replacement, while using preventive maintenance to extend asset life and reduce future reserve pressure.

Siding Planning Range

Measure	Current midpoint	Interpretation
Five siding phases	\$734,250	Estimated at about \$45,891 per unit before financing, contingency, and final scope adjustments.
Early capital program	\$818,400	Estimated at about \$51,150 per unit if the listed early-scope items are funded together.
Contingency	Add after scope	Add contingency as a visible line item after scope is defined; do not bury it in the base allowance.

4. Reserve Component Inventory

Use this inventory as the Board's control list. It shows which assets are routine reserve items, which require separate capital-project funding, which belong in the next plan cycle, and which responsibilities must be confirmed before money is assigned. Amounts remain planning allowances until supported by current scope, inspection, engineering, or bids.

Asset	Current status	Next checkpoint	Planning basis	Funding
Asphalt pavement - mill/overlay	Complete (2022) Cycle: 30 years	Seal in 2028; full mill/overlay replacement remains outside this horizon in 2052.	\$95,000 planning value	Reserve fund
Asphalt seal coat	Complete (2022) Cycle: ~6 years	Maintain six-year seal-coat rhythm: 2028, 2034, and 2040.	\$6,000-\$10,000 per cycle	Reserve fund
Stormwater drains	Serviceable; inspect annually Cycle: 20 years	Carry a 2042 allowance; repair earlier if inspections show active failure.	\$4,000-\$8,000	Reserve fund
Front/rear decks	Complete (2015) Cycle: 30 years	Inspect annually for safety; replacement moves into the next plan cycle in 2045.	\$385,000 planning value	Next plan cycle
Entry sign	Complete (2022) Cycle: 20 years	Carry a 2042 allowance; review condition annually and repair earlier if inspection shows active deterioration.	\$2,500-\$4,000	Reserve fund
Perimeter fence/rail	Existing (2012) Cycle: 25 years	Plan for 2037 replacement unless condition requires earlier action.	\$33,000-\$50,000	Reserve fund
Mailbox/post	Existing (2012) Cycle: 20 years	Replace in 2032 as a reserve-funded routine item.	\$3,000-\$5,000	Reserve fund
Site light heads	Existing (2015) Cycle: 20 years	Replace heads in 2035; continue annual	\$11,000-\$20,000	Reserve fund

Asset	Current status	Next checkpoint	Planning basis	Funding
		lighting checks.		
Site light poles	Existing (2015) Cycle: 40 years	Track for the next plan cycle; inspect annually before the 2055 planning year.	\$6,000+ planning value	Next plan cycle

Owner windows remain the owners’ responsibility under the 2015 vote. Before siding bids are finalized, confirm owner window readiness so flashing and WRB continuity are not compromised during envelope work.

Reserve Component Inventory - Continued

Asset	Current status	Next checkpoint	Planning basis	Funding
Lower retaining wall	Complete (2022) Cycle: 30 years	Outside this horizon; carry into the 2052 reserve cycle.	\$51,350 planning value	Next plan cycle
Upper-left retaining wall	Complete (2022) Cycle: 30 years	Outside this horizon; carry into the 2052 reserve cycle.	\$8,000+ planning value	Next plan cycle
Upper-right retaining wall	Original/remaining Cycle: Overdue	Engineer and replace in 2027 before siding work proceeds in that area.	\$25,000-\$45,000 provisional	Capital project funding
Water/sanitary mains	Original; no failure assumed Cycle: 50 years	Investigate by 2037 and carry a 2039 allowance; advance work if condition requires earlier action.	\$90,000-\$150,000	Reserve fund
Roofs and skylights	Complete (2026) Cycle: 25-year planning cycle	Inspect remaining roof life in 2044 and again in 2046 if needed; set the next reserve target for 2051.	\$172,375 contract/assessment basis; actual TBD	Future reserve cycle
Gutters/downspouts	Existing; 2026 scope to verify Cycle: 20-25 years	Use 2034 allowance only after confirming what the 2026 roof work included.	\$24,000-\$35,000	Reserve fund
Exterior siding/WRB/flashing/trim	Major remaining envelope need Cycle: 30-year replacement cycle	Use the adopted sequence: Building 416 in 2027, Building 420 in 2028, then Buildings 408, 412, and 414 in 2032 after loan payoff.	\$135,000 per building in 2026 dollars	Capital project funding
Front/rear unit doors	Responsibility and condition to verify Cycle: 40 years	Confirm responsibility during the 2027 envelope survey before assigning Association funding.	\$28,000-\$40,000 if Association-funded	TBD after responsibility review
Garage doors	Responsibility and condition to verify Cycle: 25 years	Confirm responsibility during the 2027 envelope survey before assigning Association funding.	\$29,000-\$40,000 if Association-funded	TBD after responsibility review
Bumpout soffits / garage fire separation	Recommended, not completed Cycle: Corrective project	Combine with early siding phases so fire-separation and envelope corrections are not scoped twice.	\$25,000-\$40,000	Capital project funding

5. Reserve-Study Controls and Annual Update

ANNUAL BOARD CONTROL. Update this plan after the fall site walk and before budget adoption. A short annual refresh keeps reserve decisions current, validates pricing before commitment, and prevents the plan from becoming stale after a major failure.

Annual Cycle

Step	Action	Minimum record
1	Inspect	Complete a documented site and envelope walk; photograph changed conditions, safety concerns, water intrusion, and items entering the next three years.
2	Reconcile	Update reserve balance, completed-project actuals, warranties, insurance proceeds, open commitments, and any Board-approved funding actions.
3	Re-price	Obtain current allowances or bids for every project entering the next three years; replace placeholder inflation with current pricing.
4	Decide	Approve only the next budget year. Keep later years as planning forecasts until condition, pricing, and funding are confirmed.
5	Archive	Archive contracts, permits, warranties, lien waivers, closeout photos, final costs, and Board approvals by asset.

Project Authorization Gate

- Document the condition trigger and confirm whether the Association is responsible before authorizing work.
- Write the scope, alternates, exclusions, unit prices, and hidden-condition assumptions clearly before bids are compared.
- Approve the funding source and confirm the minimum reserve floor remains protected after the commitment.
- Verify competitive bids, insurance, licensing, warranties, resident coordination, and owner dependencies before contract award.
- Include closeout deliverables in the contract before signing so records are not chased after completion.

Records to Complete for the 2026 Roof Project

- Final paid cost, assessment reconciliation, and approved change-order log
- Manufacturer warranty, workmanship warranty, and claim-submission requirements
- Product data, colors, shingle model, skylight model, and installed-system documentation
- Permits, inspection signoffs, and any required municipal closeout documents

- Lien waivers, contractor certificate of completion, and final payment confirmation
- Final punch list, resolution notes, and dated completion photographs by building
- Emergency leak-response contact, warranty-claim procedure, and record location for Board access

6. Assumptions and Source Record

Cost Terminology Used in This Plan

Term	Meaning
Planning allowance	Budget placeholder used for reserve modeling and timing; not a contractor bid, funding approval, or spending authorization.
Midpoint	Central value within a planning range, escalated for schedule comparison where noted.
Provisional	Temporary figure that must be replaced after inspection, engineering, bid review, or responsibility confirmation.
Capital project funding	Work that is tracked separately because it is not funded by the ordinary annual reserve contribution.

Planning Assumptions

- Treat all future costs as planning allowances until current bids, engineering, or other project-specific pricing is obtained.
- Use the 2% annual inflation factor only for schedule comparison; replace it with current pricing at each annual update.
- Use the 2026 roof figure as the contract/assessment planning basis until final paid cost is reconciled and archived.
- Keep the roof cycle at 25 years unless warranty terms, ventilation compliance, or observed performance support a different cycle.
- After the existing loan is paid off in 2032, direct freed annual debt-service capacity to the remaining siding phases before any later reserve redirection.
- Keep the adopted building sequence—416 in 2027, 420 in 2028, and 408/412/414 in 2032—unless the Board formally amends the Capital Plan after reviewing survey and window-readiness findings.
- Confirm door and garage-door responsibility under the governing documents before assigning Association funding.

Source Record

Recommended Next Actions

1.

Close the 2026 roof project record, including final paid cost, assessment reconciliation, warranties, permits, lien waivers, punch-list resolution, and completion photographs.
2.

Authorize the 2027 envelope survey and retaining wall engineering so siding pricing is based on observed conditions rather than planning placeholders.
3.

Confirm the siding sequence, material standard, concealed-condition allowance, and owner window-readiness process before final bids are requested.
4.

Approve a funding approach for the separate capital-project track, including the use of 2032 debt-service capacity after loan payoff.
5.

Refresh the plan before each budget adoption by replacing placeholder allowances with current bids, updated reserve balances, and documented condition findings.

Conclusion

The Board can treat this Schedule E update as an executable planning record for the next reserve cycle. The 2026 roof and skylight project has moved from construction to closeout, and the exterior wall program is now the principal capital exposure. The near-term priority is to confirm envelope conditions, finalize the siding sequence and scope, decide how the separate capital-project track will be funded, and preserve ordinary reserve capacity for recurring assets.

BOARD TAKEAWAY. Adopt the plan as a planning baseline, not a construction authorization. Authorize only the next required investigation and budget-year actions, then update the plan annually with actual costs, reserve balances, inspection findings, and Board-approved funding decisions.

Appendix: Board Adoption Record

Use this record to document Board adoption, later revisions, and the next annual review. The blanks should be completed when the plan is adopted or revised.

Plan adoption / revision	To be completed upon Board action
Board approval date	To be completed upon Board action
Next annual review	October 2027, or earlier if the capital funding plan changes
Related working file	FHCA Capital Plan Workbook 2026-2044