

2027 Approved Operating Budget, Town Hall

Welcome to all attendees

If you have any additional questions not answered in this meeting, please reach out to me at dperez@ccmcnet.com, and we can schedule an appointment to discuss them in detail.



THIS YEAR'S BUDGET WAS CREATED BASED OFF THE FOLLOWING KEY PRINCIPLES

Maintaining the beauty and functionality of Red Rock Village's common areas and amenities.

To preserve and exceed the current level of service and onsite access to management

Prior year expense trends and increases from service providers

Laying the groundwork for financial independence.

Establishing a reasonable dues structure to avoid special assessments in the future.

Assessments History

2022 - $195 - $204 - $9.00 Pr/Qtr $3.00 Pr/Mo
2023 - $204 - $210 - $6.00 Pr/Qtr $2.00 Pr/Mo
2024 - $210 - $249 - $39.00 Pr/Qtr $13.00 Pr/Mo
2025 - $249 - $255 - $6.00 Pr/Qtr $2.00 Pr/Mo
2026 - $255 - $267 - $12.00 Pr/Qtr $4.00 Pr/Mo
2027 - $267 - $288 - $21.00 Pr/Qtr $7.00 Pr/Mo

2027 Assessment

Our current 2026 quarterly assessment is $267/quarter or $89/month. The maximum allowed by ARS law is 20%, which is $53.40 ($106.80mo/$320.40 per/qtr). The new 2027 quarterly assessment is $96/month or $288/quarter. This is roughly a minimal 7.87% increase per quarter from the 2026 assessment and well under the allowable increase. This is in line to the amount the association has increased in the past 5 years.

Monthly Assessments:
Will go into effect starting on January 1, 2027. Statements will be mailed out after November 23, 2026. Assessments are due on the 1st of each quarter. January, April, July, and October. Late fees, per the association's collection policy, are assessed on the 15th and the last day of each month they are due on.

Quaterly Assessments

The total quarterly assessments will rise from $267 to $288
And here is why:

Administrative



6.9% Increase

This expense covers onsite services, management, lifestyle, lifeguards, legal and collection fees, annual meeting costs, statements, postage, website, tax and audit, pool permits, COMM outlets, movie lic, reserve study review, office supplies, operating systems.

Contract Services



0.64% Increase

This expense covers janitorial services, landscape contract, erosion repair, turf care, compliance self-help, tree/shrub replacement, tree/shrub removal/trimming, overseeding, pest coontrol, pool care services and playground inspections.

Insurance Coverage



17.24% Increase

This expense covers the required insurance policy for the association. coverage includes general liability, workman's comp, environmental, D&O coverage, risk management, excess liability, crime, and dishonesty. You have peace of mind the association is properly insured.

Parts and Supplies



1.65% Increase

This expense covers the cost for common area signage repair/replacement, Janitorial supplies, doggie station supplies, pool access cards, pool supplies and chemicals.

Repairs & Maintenance



3.15% Increase

This expense covers common area maintenance, irrigations repairs, backflow testing, pool access system, concrete repairs, building repairs, playground maint, park equip repairs, electrical R&M, plumbing R&M, storm damage removal, vandalism, Rock Repl, and pool repairs.

Common Area Taxes



6.16% Increase

This cost covers the required tax levied by Pinal County on all common areas in the association.

Internet



Increase

This cost increased due to Century Link no longer providing commercial services to the pool area. The association requires internet services for the pool key card system and the security services at the pool, skate park and bathrooms

Security Camera Towers at Pool



Increase

This cost increase was due to the need of security cameras towers at the pool area. This proved successful in limiting the valadalism, jumping off pool shade structure, and other issues at the main park.

Water



Increase

There is no marked increase on this. However last year, due to poor water quality the association exceeded the water budget by $70K. The Board has taken quick action on this and has pressured GWR to correct issues. Additionally, the Board approved to have special filtering devices installed at the main point of water entry to help with water quality.

Reserve Contributions

11.2%
Increase

What is a Reserve Study, and how does that benefit you and your community? A Reserve Study is a valuable tool that helps the community budget responsibly for the repair and maintenance of all community infrastructure. This report and analysis help avoid surprise expenses, make informed decisions, save money, and protect property values by responsible funding.

The article below, from Association Reserves, explains what a reserve study is in detail, why it matters for community associations, and how it helps us maintain and protect our shared spaces for years to come. Please scan the QR code for the full report on the benefits this study provides.

The three main factors when creating this report are:

Component List

Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.

Reserve Fund Strength

A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.

Reserve Funding Plan

A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed promptly, with an emphasis on fairness and avoiding "catch-up" funding.

Reserve Contributions

30-Year Reserve Plan Summary

Report # 18811-3
With-Site-Visit

Fiscal Year Start: 2024 | Interest: 1.00 % | Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date | Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	$516,351	$2,605,304	19.8 %	High	16.54 %	$300,000	$0	$4,504	$436,000
2025	$384,855	$2,491,527	15.4 %	High	9.00 %	$327,000	$0	$4,733	$154,500
2026	$562,087	$2,671,996	21.0 %	High	9.00 %	$356,430	$0	$6,201	$246,129
2027	$678,589	$2,771,447	24.5 %	High	9.00 %	$388,509	$0	$7,857	$181,393
2028	$893,563	$2,948,743	30.3 %	Medium	9.00 %	$423,474	$0	$8,650	$488,471
2029	$837,217	$2,823,498	29.7 %	High	9.00 %	$461,587	$0	$9,390	$266,633
2030	$1,041,561	$2,931,671	35.5 %	Medium	2.00 %	$470,819	$0	$12,007	$163,585
2031	$1,360,801	$3,158,171	43.1 %	Medium	2.00 %	$480,235	$0	$12,945	$624,776
2032	$1,229,205	$2,925,651	42.0 %	Medium	2.00 %	$489,840	$0	$11,977	$563,713
2033	$1,167,310	$2,758,539	42.3 %	Medium	2.00 %	$499,637	$0	$10,966	$651,082
2034	$1,026,831	$2,506,195	41.0 %	Medium	2.00 %	$509,630	$0	$12,642	$46,365
2035	$1,502,738	$2,879,204	52.2 %	Medium	2.00 %	$519,822	$0	$16,838	$173,029
2036	$1,866,369	$3,143,307	59.4 %	Medium	2.00 %	$530,219	$0	$19,995	$282,301
2037	$2,134,282	$3,313,461	64.4 %	Medium	2.00 %	$540,823	$0	$22,948	$240,840
2038	$2,457,213	$3,542,425	69.4 %	Medium	2.00 %	$551,639	$0	$24,235	$641,338
2039	$2,391,749	$3,377,072	70.8 %	Low	2.00 %	$562,672	$0	$24,396	$489,202
2040	$2,489,616	$3,375,128	73.8 %	Low	2.00 %	$573,926	$0	$26,668	$243,915
2041	$2,846,294	$3,637,789	78.2 %	Low	2.00 %	$585,404	$0	$31,186	$69,420
2042	$3,393,464	$4,100,439	82.8 %	Low	2.00 %	$597,112	$0	$33,250	$764,392
2043	$3,259,434	$3,873,898	84.1 %	Low	2.00 %	$609,054	$0	$28,678	$1,418,586
2044	$2,478,580	$2,979,874	83.2 %	Low	2.00 %	$621,236	$0	$27,376	$128,234
2045	$2,998,958	$3,401,619	88.2 %	Low	2.00 %	$633,660	$0	$32,937	$74,412
2046	$3,591,143	$3,905,386	92.0 %	Low	2.00 %	$646,333	$0	$38,991	$66,106
2047	$4,210,362	$4,447,173	94.7 %	Low	2.00 %	$659,260	$0	$43,229	$473,661
2048	$4,439,191	$4,600,212	96.5 %	Low	2.00 %	$672,445	$0	$42,031	$1,183,086
2049	$3,970,581	$4,042,360	98.2 %	Low	2.00 %	$685,894	$0	$40,873	$489,944
2050	$4,207,404	$4,197,390	100.2 %	Low	2.00 %	$699,612	$0	$45,218	$112,143
2051	$4,840,092	$4,762,358	101.6 %	Low	2.00 %	$713,604	$0	$51,404	$159,933

Reserve Contributions

30-Year Income/Expense Detail — **Report # 18811-3 With-Site-Visit**

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$516,351	$384,855	$562,087	$678,589	$893,563
	Annual Reserve Funding	$300,000	$327,000	$356,430	$388,509	$423,474
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,504	$4,733	$6,201	$7,857	$8,650
	Total Income	$820,855	$716,587	$924,718	$1,074,955	$1,325,687
#	Component					
	COMMON AREAS					
100	Monuments - Remodel	$0	$0	$0	$21,855	$0
200	Asphalt Paths - Repave	$0	$0	$212,180	$0	$0
201	Asphalt Paths - Seal/Repair	$0	$0	$0	$17,484	$0
220	Concrete - Repair	$25,000	$0	$0	$0	$28,138
380	Mailboxes - Replace (A)	$0	$0	$0	$0	$0
380	Mailboxes - Replace (B)	$0	$0	$0	$0	$0
380	Mailboxes - Replace (C)	$0	$0	$0	$0	$0
501	Block Walls - Repair	$0	$0	$0	$0	$0
502	Block Walls - Repaint (A)	$15,000	$0	$0	$0	$0
502	Block Walls - Repaint (B)	$0	$10,300	$0	$0	$0
504	Metal Fence - Replace	$0	$0	$0	$0	$0
508	View Fence - Replace	$0	$0	$0	$0	$0
516	Culvert Rails - Repaint	$40,000	$0	$0	$0	$0
520	Vinyl Fence - Replace	$0	$0	$0	$0	$0
804	Irrig Controllers - Replace (A)	$24,000	$0	$0	$0	$0
804	Irrig Controllers - Replace (B)	$0	$0	$0	$0	$0
804	Irrig Controllers - Replace (C)	$0	$0	$0	$0	$0
840	Drywells - Inspect/Clean	$0	$0	$0	$0	$45,020
842	Drywells - Partial Replace	$0	$0	$0	$0	$0
	NEIGHBORHOOD PARKS					
405	Park Furniture - Replace (A)	$0	$30,900	$0	$0	$0

Reserve Contribution – Currently 21% Funded

Reserve contribution for 2027 - $32,509 per/month or $388.5K a year.

The association is scheduled to complete an updated Reserve Study in 2027 to obtain new information for contributions based on all projects completed. Due to all items being completed in 25/26, we are proposing the amount transferred is reduced to $20,571.66 per/month or $ 246,860 per year. The association can adjust in 2028 with new, accurate numbers from the 27 Reserve Study Analysis.

2024 Reserve Study

Although these cost increases show a $7 per household monthly increase in assessments, we are pleased to share that the community is financially healthy and independent. In prior years, the association required subsidies from the developer to meet its financial responsibility. Owners should be proud of this accomplishment.



Investing into your community

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You will love and be proud of the place you call home

Thank You for Your Attendance