

Glenwood Place Roofing Demands and Financial Implications

Facts and Assumptions

- Roofs are probably our most important building component and we have 11 remaining building roofs that need replacing.
- Our roofs are at the end of their life and Sawtooth Roofing has laid out a 3-year plan to get them all finished
 - 2026 - Buildings 11, 12, 13, 15
 - 2027 – Buildings 5, 14, 16, 17
 - 2028 – Building 19, 20 , 21.
- Sawtooth's 3 year plan does not include any garage roofs and one or more of those could require replacement during these 3 years
- We built \$132,000 into our budget for 2025 to replace 3 roofs. We unexpectedly had to replace a garage bank roof in addition, which resulted in a budget increase to \$153,000. Other projects had to be delayed as a result.
- We do not want to use Reserves to replace roofs. We must keep the Reserves growing, however slowly. The more they grow, the higher interest we earn, thereby increasing them even more. We are currently at a barely acceptable minimum level.
- We have over time avoided doing special assessments.
- We have researched taking a roofing loan and discovered that it adds a lot of overall cost to homeowners

We've increased the Reserves in 2025 by \$40,000. They now stand at \$328,000. Our 2025 Reserve Study names a \$2,000,000 Total Replacement Cost – the cost of replacing everything that they recommend be done in 2025. That gives us a 16% funding percentage. We are supposed to be between 30 and 70%.

What are the Financial Demands for Replacement of Remaining Roofs?

Building	2025 Sawtooth Estimate	2026 Sawtooth Estimate
11	\$65,160	\$68,418
12	\$72,335	\$75,951.75
13	\$65,160	\$68,418
15	\$39,375	\$41,343.75
Total 2026 Cost	\$242,030	\$254,131.50
5	\$65,160	
14	\$70,235	
16	\$32,750	
17	\$43,670	
Total 2027 Cost	\$211,815	

19	\$65,160	
20	\$34,685	
21	\$34,685	
Total 2028 Cost	\$134,530	

How Do We Meet This Financial Demand – A Few Scenarios

Our 2025 budget handled \$153,000 dedicated to roofing costs. So looking at 2026, we need to find an additional \$101,350 to cover the 4 roofs at \$254,131 in Sawtooth's 2026 plan. Sawtooth's replacement plan puts the most pressure on 2026 and that pressure eases somewhat in 2027 and in 2028, we are back to normal roofing costs. However, there are still all but one of the garage bank roofs to replace.

Scenario 1	Funds Generated	Pros	Cons
Raise condo fees by \$50/month for 2026	86,400		Significant condo fee increase 2 years in a row
Minimize other budgets to the extent possible for the year	Need 14,950 in reductions	We don't have to reduce other budget categories too drastically	\$50 increase would probably become permanent even though costs are less in 2027 and 2028
TOTAL Funding	\$101,350		

Scenario 2	Funds Generated	Pros	Cons
Do a special assessment in 2026 of \$600, to be paid in full by 6/30/2026	\$86,400	1. It's not a condo fee increase which would most likely become permanent 2. Homeowners have some flexibility and time to pay 3. We could reevaluate in 2027 and possibly not levy another special assessment, but maybe raise the condo fees to cover cost of living increase	Historically, we have tried hard not to levy special assessments

Find reductions in the budget to make up the difference	\$14,950		
TOTAL	\$101,350		

Scenario 3	Funds Generated	Pros	Cons
Raise condo fees by \$25 for 2026	\$43,200		
Put all initiation fees into the operating budget. Don't use Reserves at all but let them increase by the amount of interest earned	\$20,000		Our momentum on increasing Reserves stalls temporarily
Find reductions in the budget to make up the difference	\$38,150		Can we really find this much in reductions
TOTAL	\$101,350		

Scenario 4	Funds Generated	Pros	Cons
Get a loan for the replacement of all roofs, including all garages	\$1,000,000	There's no burden on the homeowner if we can find a lender that will allow us to pay the loan over time through our operating budget	Most banks require the loan to be structured so that it puts a special assessment on homeowners for their share of the total cost and then loans the money to them to pay off as they are able
		We don't have to defer other maintenance	The overall cost to the homeowner over time is much more than paying as we go out of the operating budget

Scenario 5	Funds Generated	Pros	Cons
Raise condo fees by \$25/month	\$43,200	This hybrid approach raises the condo fee a lesser amount and gives the homeowner time to pay the relatively low special assessment	
Levy a special assessment of \$300 per unit to be paid by 6/30/2026	\$43,200		
Find \$14,950 in budget reductions to make up the difference	\$14,950		
TOTAL	\$101,350		

More on Taking A Loan

We could probably be safe to say the amount of the loan would be \$950,000 to do 11 remaining roofs and all remaining garage roofs. First Citizens Bank was one of the few lenders we interviewed who were even willing to consider not assessing homeowners for their share of the loan. Here were the requirements they stipulated

- They would require \$96,000 of our \$340,000 Reserves to be set aside for what they call Contingency Reserve
- They would require \$20,000 for inspections, loan, legal costs
- They name \$30,000 for interest reserve during 6 months of work progress
- So basically their plan adds \$140,000 to the amount of money we spend
- They would place a lien on all of our accounts which would need to be housed at First Citizens Bank during the entire term of the loan. The full amount would not be covered by FDIC.
- They name an interest rate of 6.9% amortized over 15 years. To understand how much that would add to the project cost, we'd be paying almost \$10,000 per month (\$120,000 per year) for 15 years. That's \$1.8 million. So that adds \$1 million to take a 15 year loan, more than twice the construction cost if we paid for construction costs alone over the next 3 years.

Reality Check on Condo Fees

Condo Fee Research

Condo Association	Condo Fee	Comments
Windsor	\$422	High rise
Jasper Heights	\$654	Many roofs, big grounds, Condo Mgmt Company
Rivercliff Estates	\$458	Many roofs, big grounds
Argay Downs	\$600	Many roofs, big grounds
300 NE 29 th Gresham	\$433	Many roofs, big grounds
Village Squire Gresham	\$350	Many roofs, big grounds
Wade Estates	\$808	Many roofs, big grounds, small association
2280 NE Hogan, Gresham	\$683	Townhouse style
Brick Windsor	\$462	
Riverwood Condos	\$550	Many roofs, big grounds, built in 70's
3318 NE 29 th Gresham	\$450	Many roofs, big grounds
240 NE 5 th Gresham	\$419	