Notice of 2013 HOA Dues Increase

Dear Neighbors,

At the annual meeting on March 7, 2013, the possibility of a small dues increase was discussed, and a resolution was passed by a vote of the residents present asking the Board to consider adopting a small dues increase to add to our fund balance in anticipation of future maintenance expenditures. On March 19, 2013, the Board voted unanimously to increase the dues by $35 from $400 to $435, effective immediately. As Treasurer, I am writing this brief note of explanation to accompany your April HOA billing.

First, the history. Here’s what the annual dues have been for the last decade:

- 2002-04 $287
- 2005-06 $325
- 2007-08 $365
- 2009-12 $400

As you can see, we have traditionally raised dues every 2-3 years, but have not done so for the past four years, in part due to the recession and in part because our fund balance was ample. Increasing dues at this time by $35 is in line with past practice.

In addition, we are specifically doing so now for the following reasons:

- In 2012, we budgeted $20,000 to redo our front entrance landscaping, and paid for it in part from net assets accumulated in prior years.
- In addition, due to the exceptionally dry summer, our water usage exceeded our budget by $4,500.
- As a result of the above, our net assets as of 12/31/12 stand at about $50,000.
- Over the next few years, we anticipate some higher than normal maintenance expenses:
  - Completing the front entrance re-landscaping
  - Replacing the aging sprinkler system, probably in stages over 3 years
  - Replacing the pool furniture
- Provide contingency funds for any other needed repairs to our infrastructure.

The initial estimates we have for the planned work indicate that it is prudent to increase dues now to begin accumulating the funds necessary to pay for these anticipated expenses over the next few years.

If you have any questions, don’t hesitate to contact me or any of your Board members.

Sincerely,

Gurudev Khalsa
Secretary-Treasurer
Red Fox Hills Homeowners Association
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