



President's Report – August 2015

Before we know it, it will be time for the 2015 annual Homeowners' Association Meeting. Our meeting will again be held on the 2nd Saturday in November which falls on the 14th day of the month this year. One of the topics on the agenda at every annual meeting is the HOA budget. The board must present a budget that covers anticipated expenses for the new year, and the annual (per lot) property assessment necessary to fund these expenses.

Sam Cortez, our Treasurer, has been busy preparing a preliminary budget for 2016, which he will soon present to the board for discussion and approval. While next years' budget is still being developed it is likely to have a lot in common with past budgets, including this years'.

Some might be surprised to learn that almost the entire budget is made up of fixed expenses. That is not to say that these expenses never increase, but simply that they occur every year. For example, our three largest expenses budgeted for 2015 were Gate Attendant Services, Common Area Maintenance and Property Management. Together they total \$249.3K and account for three-fourths (73.3%) of the entire \$340.1K dues budget.

The 2nd largest category of major expenses includes the amounts added to the Reserves (one for our roads, one for maintenance & repair), and the cost of the chipping service. The M&R Reserve is used to fund unanticipated and non-budgeted grounds and infrastructure expenses, including cleanup costs after major storms. These three budgeted items totaled \$43.8K this year and accounted for 12.9% of the total dues budget.

These six items taken together account for over 85% of budgeted expenses in 2015. I'll spare you the minutia of the remaining line items. Suffice is to say that they include many important services such as recycling, insurance and utilities. (Those who wish to view the 2015 budget detail can find it on our website after logging in and clicking on "Documents".)

Fortunately, since budget expenses are spread across all owners, even large expenditures can result in a small cost to an individual property owner. As an example, the \$5,000 for this years' front entry landscaping (and irrigation) cost property owners only \$13 per lot owned. Also, when faced with the question of whether or not we should fund a new discretionary or major expense the board has used member surveys or has presented alternative budgets to let the membership decide.

We look forward to seeing you at the annual meeting, where we will discuss the 2016 budget and many other important matters that affect you as a property owner. The board is hoping for a strong turnout. While some will have an unavoidable conflict and not be able to attend the meeting, we ask that you please make an effort to do so.

A handwritten signature in black ink that reads "Aug". The letters are cursive and somewhat stylized, with a long, sweeping tail on the 'g'.