

March 9, 2023

Memo to DVHOA Board of Directors RE Assessments and Dues

At the Feb 2022 Annual meeting it was my recollection the outgoing Board of Directors presented a budget to the Homeowners with an increase in dues of \$10 per month to be set aside for the specific purpose of funding the pond liner reserve fund. Had we done that we would have added \$14,040 to the restricted fund and used funds from the Reserve Fund for the shortfall. (Thus creating an end of the year shortfall in the reserves.)

No one wants to be the bad news person who raises Dues but that is the Main responsibility of an HOA Board...that and wisely spending those funds. After reviewing the 2022 expenditures I believe the Board was diligent in their duties with respect to managing expenditures.

For better or worse we are an Association of 4 neighborhoods Divided by a 4 lane Highway and United by a required retention pond that is an attractive feature while preventing flooding for all 4 neighborhoods.

In my opinion we need to stay at \$67 a month and develop a budget we can live with in that may mean not immediately replacing landscaping that failed during the record freeze...focus on getting competitive bids on necessary tree cutting and removal jobs over \$2000 and falling trees into the common areas on a more natural basis just making sure they don't interfere with the current drainage berms.

That said we need to do a separate Restricted Assessment of \$25 to \$50 a month until the Restricted Reserves reach at least \$200,000. This will provide for a couple of things:

- 1.) Show a tract record of prudent financial management to assist in securing a loan if necessary.
- 2.) Buyers who chose to look at the budget before they commit to a purchase should not be surprised in the future if we do need to make an assessment.
- 3.) Allows the annual budget for maintenance to be kept separate from the funds needed for repair or replacement of the pond liner.

Another item to consider would be a Capital Assessment to a New Buyer at time of title Transfer of \$500 restricted to the pond fund.

Andy Lee