

# Fairwood Village Association

John Griffith, President

Rick Roehrenbeck, VP Landscaping

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Charlie Mayfield, ARC Representative

Dave Cunningham, Scribe

May 22, 2023

## **Background, May 25, 2023 Members' Meeting For Proposed Dues Increase**

At the Fairwood board meeting on February 25, 2023 the current dues of \$240 per quarter was discussed. The board felt strongly that the association needed to increase dues to generate more funding for the reserve. A motion was passed to recommend a \$50 per quarter increase. This recommendation will be voted on at the members' meeting at 11am on Thursday, May 25 at the Bay Club.

A proxie form is attached to this if you are not able to attend the meeting and wish to vote.

From a dues and budgeting standpoint the Board's primary concern is our reserve fund, which is necessary for ongoing maintenance and future asphalt overlays of Par 4 Court and Dogleg Lane. These roads are over twenty-five years old and will require asphalt overlays at some time in the not-too-distant future.

In 2021 and 2022 Lakeside Industries repaired our catch basins and sealed visible road cracks. Lakeside is a major paving company in Port Angeles. They gave us a current bid to overlay both roads for \$102,554. Our reserve study consultant has recommended overlays be done in 2025. The board feels this is a bit premature and as well as currently unaffordable. The hope is that the catch basin repairs and crack sealing we did in 2021 and 2022 can give us a few more years before the overlays are needed. We also need more time to build up our reserve funds.

Fairwood dues have not been increased for several years. We currently have reserves of \$38,486. We need to increase our dues now to start building up our reserves.

Last year's budget and actual expenses and the 2023 budget is shown below, along with the current dues and the proposed \$50 dues increase. Contributions to the reserve fund are the difference between the association's annual dues and its expenses for the year. The current dues amount of \$240 per quarter would generate \$4,115 to the reserves.

Last year we spent \$2,524 from our reserves to repair the second failed catch basin and seal road cracks. Thus a reserve reduction rather than an increase.

		No DuesIncr.	No DuesIncr	\$50 DuesIncr	
		Dues@ \$240 per qtr.	Dues\$240	Dues@ \$290	
<b>Revenues</b>		2002 Budget	2022 Actual	2023 Budget	2023 Budget w/ DuesIncrease
Dues		\$18,240	\$18,240	\$18,240	\$22,040
Interest		\$500	\$500	\$500	\$500
		\$18,740	\$18,740	\$18,740	\$22,540
<b>Expenses</b>		2002 Budget	2022 Actual	2023 Budget	2023 Budget w/ Incr
Electricity		\$350	\$375	\$400	\$400
Water & Sewer		\$575	\$600	\$650	\$650
Supplies		\$40	\$40	\$50	\$50
Copies/Faxes		\$100	\$100	\$100	\$100
Professional Services		\$1,150	\$1,150	\$500	\$500
Taxes, Licenses		\$125	\$200	\$225	\$225
Legal		\$0	\$0	\$0	\$0
Misc		\$300	\$250	\$300	\$300
Irrigation Repair		\$500	\$0	\$250	\$250
Landscape Mgmt		\$7,700	\$7,700	\$8,500	\$8,500
Street Maintenance		\$5,250	\$10,249	\$3,000	\$3,000
Other Maintenance		\$0	\$0	\$0	\$0
Insurance		\$600	\$600	\$650	\$650
Contingency					
<b>Contrib. to Reserves</b>		<b>\$2,050</b>	<b>-\$2,524</b>	<b>\$4,115</b>	<b>\$7,915</b>
<b>Total Expenses</b>		<b>\$18,740</b>	<b>\$18,740</b>	<b>\$18,740</b>	<b>\$22,540</b>

The more we are able to increase dues the more we can contribute to our reserves.

Dues Increase Per Quarter	Dues Per Quarter	Reserves Contribution
\$0	\$240	\$4,115
\$25	\$265	\$6,015
\$35	\$275	\$6,775
\$40	\$280	\$7,155
<b>\$50</b>	<b>\$290</b>	<b>\$7,915</b>
\$60	\$300	\$8,675

No one likes the idea of raising dues, especially in the current economy. Nevertheless, the board feels the \$50 dues increase is necessary to build our reserves for our future financial needs.

The Fairwood members meeting will be held at the Bay Club on Thursday, May 25 at 11am to vote on the board's recommendation.