



DUES DISCUSSION

- Budget projections show an operating fund deficit of \$50K in 2024.
- Dues have been unchanged since 2006.

- 5-year annual surplus/deficit for operating fund:
 - 2020- \$20,769 Deficit
 - 2021- \$16,673 Surplus
 - 2022- \$32,747 Surplus
 - 2023- \$31,176 Projected Deficit
 - 2024- \$ 50,779 Budgeted Deficit

- Where are dues spent – Can we cut expenses? Total Budget for 2024 is \$647,000 and can be grouped into 4 categories:
 - \$142,000 (22%) Gets transferred to reserve fund
 - \$160,000 (25%) Guards/Gates/Security
 - \$296,000 (46%) Common area maintenance and upkeep
 - \$49,000 (7%) Other, which includes insurance, property management, functions, etc.

- Unless we **drastically** reduce maintenance and upkeep of common areas, or eliminate guards, cutting expenses is not an option.

- There is also an impact to our reserve fund, which pays for major maintenance and replacement costs for streets, sidewalks, ponds, and open spaces. As we complete the analysis of the 2023 updated study by the firm, Reserve Advisors, it is apparent we need to continue our current funding or increase it. The Reserve Fund has the potential to fall to a dangerously low level in 2031.



HOGANS GLEN
Homeowners Association

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Board Recommendations:

- Any changes in dues will take effect on 06/01/2024, as our governing documents require homeowners approve a 90-day waiting period after change.
- No dues increase for 18 years has caught up to us.
- We have two options:
 - 1) Cut guards/security or common area expenses. **The board does not believe the community wants to cut either of these expenses.**
 - 2) Raise dues to account for shortfall and protect our community for the next 5 years, while properly funding the Reserve Fund.
- Therefore, the Board is recommending and unanimously support the following resolution regarding monthly HOA dues:

Proposal: Raise dues \$20 per month in 2024 and \$5 per month in both 2025 and 2026, which gets us to \$275 in 2026. Dues will remain at \$275 per month in 2027 and the board will do a budget study in 2028.