



Fairmont Hill Happenings

September 2021 Newsletter

IMPORTANT SPECIAL BUDGET AND ASSESSMENT 2022 **INFORMATION NEWS**

Budget. How It Works (Modified from a previous newsletter)

Some people think that we just arbitrarily pick a number out of a hat and that's the dues for the following year or keep it the same or increase by some number without research every year. Not true. Every month there are spreadsheets that show the previous year's budget by month and what was actually spent. Is it over or under budget? Adjustments are made for the next year to better balance. StoneKastle Manager, Taryn, is responsible for a draft budget to be given to the Board and the Budget Committee along with information on future increases or not from our vendors. The Annual Reserve Study is part of the research. You all receive that every year around the end of October or November.

The Committee consists of both Board Members and non- Board member owners. The first draft budget from Management is worked on to see if the proposed increase (if there is one) can be reduced some way, line by line, to avoid a dues increase. Sometimes it can but other times it can't and a final proposed budget is presented to the Board to vote Aye or Nay. This is based on best business judgement, as it is legally called. It then gets mailed out to the entire ownership as the final dues for the next year. This is how Community living HOA's are run. The only vote on dues from homeowners legally comes if there is a 20% or more increase or a special assessment of more than 5%. The budget will be mailed out with the reserve study and other documents as required annually. The committee had a very difficult task this year and there was no way around a dues assessment increase.

WHAT IS A RESERVE STUDY?

This goes along with the budget education article. Once a year we have a Reserve Study Expert analyze all the elements of our property for years of service left and how much money we have in reserve accounts to pay for them. An on site inspection is done, by law, every three years. This is part of our dues decision and fiduciary responsibility. They give us the percentage of funding we have if we had a major disaster and had to replace everything. You receive that yearly. If our reserves went down to 50% or lower it would effect property values and FHA would not give loans on our properties. Recommended is always 100% funded but rarely does an Association maintain that. The talk in the industry is that due to the Florida disaster collapse of the apartment building in Miami that new laws will be coming in all states mandating a minimum percent of reserves be maintained. The disaster was partially caused by Board decisions to defer maintenance and not assessing adequate reserves to take care of maintenance.

ASSESSMENT (DUES) INCREASE JANUARY 2022

Times have been financially tough for the past year and a half with the pandemic in addition to the medical disasters. Inflation is upon us. There is a shortage of workers many of whom are making more by staying home on unemployment. Higher wages, bonus hirings and help wanted signs are everywhere. Gasoline has doubled in price. Material prices and fees have doubled and tripled.

There are shortages in many key materials as well. Vendors who have not raised prices for years are mostly all doing so with regrets but with necessity. As a result an increase of \$12 per month was recommended and approved at the September Board meeting which will go toward the 49 budget categories that together our 496 monthly homeowner assessments pay and reserve for.

The increase of \$12 will go into effect January 1, 2022 so please prepare by notifying your automatic payment vendor or make a calendar note so you don't incur any late fees. It has taken 6 months after notices for a few owners to realize when there has been an increase.

DUES FACTS:

As has been stated before we pay less than our neighbors, significantly. We are assessed \$122 less than Fairgreen HOA when they pay for internet, cable and trash that is included for us. Even the base is \$25 a month less without considering that. They are also less than half the size of Fairmont Hill, 23 acres, with a flat property of 200 condos. We are doing a lot more with less money in our 55 acre property of 496 condos.

Woodgate, our other next door neighbor, also has higher dues than Fairmont comparing apples to apples. They pay for their trash, internet and cable TV which makes them About \$40 more than our assessment/dues. This is after their \$12 increase last fiscal year. Woodgate is also 35 acres of flat lands with not much landscape and trees compared to our 55 beautiful acres of 1,600 trees, slopes and less density. They have 235 units compared to our 496.

All in all our budget committee, and board has been doing a great volunteer job for the owners of Fairmont Hill with much success and many hours of working to keep dues as low as possible without compromising quality of services, maintaining and improving property values and responsible planning for future and present needs using fiduciary responsibility and best business judgement as mandated. Many thanks to our property management company and manager Taryn Martin for implementing these things.

Board of Directors

Sharlene Dunn, President
Ricardo Perea, Vice President
Shelley Fajardo, Treasurer
Ken Carlfeldt, Director at Large
Derek Bounds, Secretary

Management Contact Information

Stonecastle Community Management
TARYN MARTIN, CCAM Community Manager
E-Mail: TARYN@StoneKastle.com
Facsimile # (714) 455-7064
Please call us at (714) 395-5245 for any questions
Customer Service related issues, we are here to help!

Emergency Numbers

Emergency Services – 911	Y.L. Police Services Non-emergency Dispatch 714 647-7000
Y.L. Sheriff Sub Station office	714 779-7098
Fire Department Non- emergency	714 744-0400
O.C. Patrol 800 525-1626	Republic Disposal 714 238-3300

Next Board Meeting 6:30 p.m. Wednesday, Oct. 13, 2021 Advance Newsletter and alerts email sign up
owners and tenants: fairmontcable@aol.com. Web page www.myhoa.com/fairmonthill