

Budget Questions Received

The following is a list of questions (in red) received by the board from residents reviewing the approved 2023 budget. Answers are listed in black. These questions and answers were read aloud at the December 8, 2022 Board meeting.

I reviewed the 2023 PCHOA budget just received and was wondering if you could tell me why the assessment is increasing. 2023 revenues appear to be up and expenses down compared to 2022 (kudos). It would be nice to explain the “why” to homeowners rather than just a statement that rates are going up.

The expenses went up from \$470,000 budget for 2022 to \$485,000 for 2023. The revenues went up because the assessments increased by \$10/qtr to cover the increase in expenses.

Noted \$10 increase in assessment in 2023 but also noted surplus of just \$245 from operations. Is the \$10 increase expected to turn into another increase during 2023 or 2024 because we may not have enough revenue to cover increasing op expenses in an inflationary environment?

The increase, in theory, could have been limited to \$7/qtr in order to balance the budget. The board chose to increase the assessment to \$10/qtr and put any excess into the Reserves. While contributions to the reserves will increase next year, per the reserve plan, we won't know until next fall where operating expenses will fall.

Can you increase license fees at Station square and can you define what those are specifically?

The 99 year agreement with Station Square states that the license fee to be paid is to be in the same amount as the assessments paid by the HOA residents. The license fee was increased in this budget.

Capital reserve fund at the end of 2023 is expected to be down to \$500K. The planned expenses for 2024 and 2025 out of this reserve appear to be high. Is there more thought on how to bump up the reserve amount as it appears it may run out after 2025?

The budget has a contribution to reserves in the amount of \$108,000 this year. The original plan was \$103,600, but as noted in earlier answers, the additional \$4,400 was added to the reserve budget. Also as noted in the notes about the budget, two playgrounds were scheduled, per the reserve study, to be replaced in 2022 and two more in 2023. At this time, only one, perhaps two of the playgrounds will be replaced in 2023, shifting the amount of money to be deducted to later years. Additionally, the board will continue to review the remaining life in the HOA truck, which was scheduled to be replaced in 2022 and is also listed as being replaced in 2023.

