

2019 Ballot Issue 3 Group FAQ

What is the amount of the increase? The proposed monthly assessment would go up by \$20 to \$188.53 in January 2020, by another \$20 to \$208.53 in June 2021, and by an additional \$20 to \$228.53 in January 2022

How does the assessment mix with the \$72.21 many people are still paying on the Dam assessment? In May of 2021, the \$72.21 payments for the dam will end.

Is the CPI increase on top of that? No, the CPI will be suspended for the years 2020, 2021 and 2022. The CPI increase will resume in January 2023.

Why do we need this increase? Increased funding for many infrastructure needs is necessary as project costs have been exceeding available resources by wider margins each year. Our pay rates for our employees are not competitive. For example, we hire security officers and maintenance workers beginning at \$10.50 and \$11 per hour. At a Lancaster company, similar positions start at \$13. There is a full list of the proposed Capital and Depreciation spending attached to this FAQ.

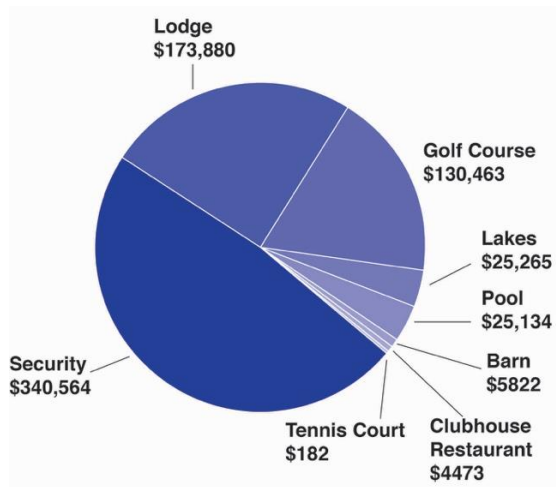
How was the amount of the increase arrived at? Based on the result of the vote on the last increase proposed, the Management Committee spent the past year conducting a more thorough review of our expenses. The increase requested this time, resulting from that review, is based on a more strategic, long-term view of our budget needs

How much has the monthly assessment gone up in the last 15 years? From \$128.00 in 2004 to \$168.53 in 2019. That's only \$2.69 per year. Not enough to keep up with rising costs.

Are there State requirements for funding our reserve fund? Any budget, per Ohio Code 5312.06, shall include reserves in an amount adequate to repair and replace major capital items in the normal course of operations without the necessity of special assessments.

The assessment raises \$550,000 in the first three years and then the same amount per year. After you have bought what is on the Expenditure List, will it be lowered? Some of our equipment wears out and needs to be replaced each year. Solving the problem of the ditch erosion will be an ongoing issue. Pay increases will continue. Costs to cover maintenance, equipment, and salaries will continue to rise. New issues and unplanned expenses are a fact of life (think about some of the unplanned expense you've had in your home). This increase is about the long-term viability of our community. We want HAH to be as great a place for future generations as it has been for our generations. This increase is recognition of the benefits of the lifestyle we all enjoy and an acknowledgement that the privilege of that lifestyle has a cost.

What were the annual operating costs for these amenities in 2018?



If the Lodge was closed, would we need the assessment? Yes. The cost of maintaining the Lodge as an amenity for the members represents less than 8% of our total budget. The costs of the Lodge have, at times, been higher than we'd all

like them to be. It's important to remember that the restaurant business is difficult, and our Lodge facility has unique challenges. The Management team is committed to reducing operating costs for our food and beverage amenities, and to the long-term viability of the Lodge as member surveys have repeatedly shown this as one of the most valued amenities we have.

Why do we need to expand the Security building? As more and more people shop online, Security handles more and more packages. During the Christmas season, they run out of space. The building needs to be expanded to handle the volume. Having our Security team manage the receipt of packages for members including the personal notification of a package waiting to be picked up is a luxury that many HOA and apartment residents pay a significant premium for. A recent study by the National Apartment Association showed that some apartments increase rents by an average of \$78/month for package receiving services. Many HAH residents greatly appreciate this free package service provided by our Security team and we need to ensure the process and facilities to manage it are safe and efficient, and that our employees are properly supported to provide this service.

What may be the result of a No vote?

We will have continued high turnover of personnel without competitive pay rates.

The old gate system will remain as it is now.

No repair for ditches and culverts. Roads will be undermined and narrowed.

Main drain repairs for Lakes Tomahawk/Arrowhead will not be done. Will cost much more to excavate in the future.

No Security building expansion. Packages will need to be picked up daily during Christmas season.

Golf course improvements will not be done.

Maintenance employees will continue to have substandard lunch and overnight area when they come in to plow our roads in the winter. Also, they have no running water/restroom facilities.

We will not have the funds to do needed dredging and silt removal on our lakes.

Just like each of us need to maintain our own homes and vehicles when the costs start exceeding our income, we have to make tough choices on what gets done and what doesn't. Our lifestyle has to change to meet our budget. So, in similar fashion, HAH will have to determine, in the future, what changes to our lifestyle we will make and what services and amenities will no longer be provided in order to operate within our fixed-income budget.

What are costs of some of the big-ticket items?

To see the entire replacement schedule list, go to www.hideawayhillsclub.com

To replace a dump truck costs \$95,000 for a good used one.

Greens mowers cost \$68,000.

Tractors cost \$84,975.

To replace one full dock on the Lake of the Four Seasons costs \$55,000.

What impact do delinquencies have on our overall budget?

As of 6/17/19, Roads and Regular Assessments together are at \$31,000

If you have questions, attend one of the following public meeting sessions:

Saturday, 7/13 Great Room 10:00 a.m. Sunday, 7/21 Great Room Noon

Saturday, 7/27 Clubhouse 10:00 a.m. Saturday, 8/10 Great Room 10:00 a.m.

Or, call Jim Krygier 740-569-6176, Jim Kirk 740-569-0291 or Randy Swetnam 740-569-4195. Also find more information on www.hideawayhillsclub.com.

Vote at the Annual Meeting August 18. Vote absentee July 4 – 24. Absentee Ballots are due to office by Friday, August 16 at 4:30 pm. No Absentee Ballots will be accepted at the Annual Meeting.

Public meeting dates: Saturday, 7/13, Great Room 10:00 a.m. Sunday, 7/21 Great room, Noon
Saturday 7/27, Clubhouse 10:00 a.m. Saturday, 8/10 Great Room 10:00 a.m.