

HAH Assessment Increase (Issue #2)

Frequently Asked Questions

How much is the increase?

The increase will be \$15.31 for a total monthly assessment of \$180.00 starting with the October 2018 assessment and continuing at \$180.00 per month until January 2020, when a possible CPI based increase may occur.

When is the vote for this assessment increase?

The vote will take place at the annual meeting on August 19, 2018.

When can absentee ballots be requested?

Members may submit absentee ballot requests beginning July 5, 2018 (45 days prior to the meeting) and ending July 25, 2018 (25 days prior to the meeting).

How many residents must approve this increase for it to pass/be implemented?

66 2/3% of all qualified votes cast (in person and absentee) must vote "yes" for this increase to pass.

When will this increase take effect?

If passed, this increase will be effective for the October 2018 monthly assessment.

Will there still be an CPI adjustment in January 2019?

No, if this ballot passes, there will be no CPI adjustment for 2019. In January 2020, the CPI adjustment amount, if any, will be calculated based only on the increase amount from the 2019 CPI to the 2020 CPI. this will continue to be adjusted annually based on any CPI increases starting with the January 2020 assessment.

(Effective January 1 of each calendar year from 2020 through 2027, said Normal Lot Assessment shall increase each year by the percentage of increase in the Consumer Price Index for all Urban consumers (CPI-W*), as established by the Bureau of Labor Statistics of the U.S. Department of Labor, for the preceding month of September of each calendar year as compared to the identical index issued for the month of September of the previous calendar year, with a limit to the increase of 5% of the normal lot assessment charged for the prior calendar year. In the event of a decrease in the index, there shall be no decrease in the Normal Lot Assessment. These assessments shall be payable in advance, either annually, semi-annually, quarterly or monthly.

*CPI-W is the Bureau of Labor index that is tied to Social Security.)

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Why is the increased assessment needed?

The amount of monthly assessment being paid currently is insufficient to properly address several areas of concern for our members, their guests, and our employees. The following is a list of items that should be addressed to ensure the safety of HAH residents, guests, and employees, but have not been done properly due to funding constraints:

- Employee(s) – We need to hire and retain quality employees:
 - Full-time staff with competitive compensation commensurate with their level of responsibility
 - Medical insurance premiums rise faster than the CPI
 - Merit increases based on employee performance have not been significant enough to reward and retain quality employees
- Repair and maintenance of roads, ditches, and culverts is on-going and costly as materials prices continue to rise faster than CPI. The exceptionally heavy rains in last couple of years is requiring much unforeseen ditch and culvert work. We also need to install additional guard rails and posts along many sections of our roads.

A Detailed Map of needed road, ditch, and culvert work can be found at both Post Offices, The Clubhouse and The Lodge. A map is also attached for your convenience.

- Security at all the entrance gates has long been an issue of concern for many members. Additional annual funding will allow us to seriously explore options to better manage access to our community. One option explored in the past was updating to an RFID based system that would improve security. That will be reviewed, again, if this assessment passes.
- We need to re-fund our Capital and Depreciation fund to properly manage the repair and maintenance of our equipment and facilities.
- Buildings:
 - Security Building – Increase size of security building to handle the increase of UPS, FedEx and USPS package delivered for members. * Must be built to commercial specs.
 - Post Office Buildings – Drainage work to eliminate swampy areas at door
 - Maintenance Building - install an on-site bathroom
- Other miscellaneous improvements:
 - Pool – resurface
 - Lake Eagle Claw future repairs
 - Generator for Clubhouse and HAH office, and the needed electrical work to support

IMPORTANT NOTE: When amenities are improved, additional responsibilities are added to maintenance and security duties.

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HAH Members currently pay \$200.00 for road repairs. Why is additional money needed for roads?

The annual \$200.00 assessment, which raises approximately \$150,000 a year, does not even cover the total cost of materials to chip and seal the roads. The additional repair needs for roads, culverts, ditches, and posts is estimated at \$325,000. These can be done over time, if the assessment increase is passed.

We spent a large amount of money from our capital and depreciation fund to cover costs for the dam repair. Why didn't we include this funding in the special dam assessment charge?

Many of the costs that depleted these funds were unforeseen and we covered them after the assessment was passed. In addition, we could not add this amount to the dam assessment otherwise the funds would have to be used for the dam. It would have had to have been a separate assessment request to use the money to replenish the capital and depreciation funds. Also, funding those accounts are not a one-time issue. They require constant use and replenishment. Only an increase in revenue can accomplish that.

How long until the tentative list of items will be addressed?

A very tentative time-line of completing the listed items is over the next 5-7 years. However, new issues always arise so the Management Committee and the General Manager will address these items as quickly as possible based on funding, staffing, weather, and other prioritization factors used to best manage the community. Management Committee meetings are open to all members and constructive input is appreciated by the committee.

Is there a detailed budget plan that can be reviewed?

Yes, all members may review the detailed budget by contacting the HAH Office during normal business hours. Monthly Profit and Loss statements are included in the ECHO.

Will there be public meetings?

Public Meetings to discuss Issue #2 will be held in the Lodge main dining room on July 14, 2018 and August 4, 2018 from 11:00 a.m. – 1:00 p.m.

The presentation will be followed by a question and answer section. These presentations will be recorded. The video will be posted on the HAH Website.

Who can I contact for more information?

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