

NOTICE TO HOMEOWNERS – BUDGET 2025

HIGHLIGHTS

November 4, 2024

Dear Homeowners,

The Board of Directors would like to update you regarding the preparation of the proposed **2025 Budget** and provide clarity on the management of the **2024 Budget**. Below, we have outlined key issues and decisions made to ensure transparency and handling of the community's financial planning.

1) Use of Remaining Funds from the 2024 Security Budget left-over funds:

Due to the suspension of the 2024 security services budget, approximately \$40,000 became available for reallocation. These funds have been used to address several unexpected repairs and replacements, namely

- The purchase and installation of three irrigation pumps.
- The purchase and installation of a pool water heater.
- Special tree trimming of three large invasive trees.
- Unexpected irrigation expenses.

The \$52,500 budgeted for security services in 2024, have been left in the 2025 Budget, and allocated to the following items:

- Legal fees to cover services rendered in 2024, not yet billed.
- Funding for the project to update the Governing documents during 2025, overdue.
- Irrigation system overhaul by zones – 1st. phase, with an added buffer for potential emergency repairs in 2025.
- Added to the Repairs – other.

Monthly Maintenance Fee Increase in the Proposed Budget 2025 (\$20/month):

The Board has approved a \$20 per homeowner increase in monthly maintenance fees, starting in January 2025. The additional funds will be deposited into a newly established Non-Statutory Reserve Account. This is a long-term savings plan which will be used to fund high-priority future projects, namely:

- Roof replacement of the clubhouse.
- Resurfacing the pool and pool deck.
- Finalizing the overhaul of the irrigation system – remaining four phases.
- Urgent tree trimming and other unexpected maintenance needs.

This \$20 per month increase is intended as a savings scheme — **NOT** an operating expense. The 2025 operating budget will be similar with that of 2024, with only minor adjustments.

The Board of Directors believes that this approach will secure the long-term health of our 40-year-old community's deteriorating infrastructure. Our past budgets have been designed to cover basic operational expenses, but without a safety net for unforeseen emergencies and major lasting improvements. These upgrades will undoubtedly represent an increase of the equity of each of the 226 homes.

We appreciate your continued support and understanding as we work together to ensure the future well-being of **Garden Hills HOA**.

Sincerely,

The Board of Directors of Garden Hills HOA

Robert de la Cruz

Eric Melendez

Angel Guerrero

Samuel Rosado

Sandy Montero