

Members of Prairie Ridge,

The board of directors has spent considerable time discussing the anticipated needs of our community for the upcoming year. We've reviewed the areas in which we expect significant increases in our expenses, as well as those in which we have opportunities to deliver some much-needed maintenance & aesthetic improvements. Upon conclusion of this review, we arrived at a decision to increase our monthly dues to \$330 effective January 1, 2025. This decision was *not* made lightly, & we landed on the \$330 figure by factoring in the following primary considerations:

1. **Water & Sewer Expense:** As previously communicated, the City of Hastings is increasing its water rates significantly for 2025. It was originally communicated by the city that rates were expected to increase by ~37.5% in January. The city has since revised that plan & we are now expecting a 10% rate hike in January with an additional increase come July, (the exact percentage has yet TBD by the city). Given the original figure of 37.5%, we are planning for the July increase to still be significant & are therefore increasing our budget for water & sewer by ~25% over our 2024 budget. This is also taking into consideration that the majority of our irrigation season will be subject to the additional (2nd) rate increase. We will reevaluate mid-year once the July increase is known & will continue to explore ways in which we can save money on one of our largest expenses.
2. **Building insurance:** You may recall from previous communication that we experienced an alarming increase of 38% in our insurance premium for 2024. Matt has had conversations with our Farmers agent &, while we won't know what our new premium will be until early next year, we are planning for an estimated increase of 16-17% in 2025.
3. **Landscaping & Maintenance:** We are budgeting for some landscaping & general maintenance needs for 2025, primarily for painting, mulch application, & various repairs to deteriorating landscaped areas. We are also considering additional tree trimming & removal.
4. **Reserve Contributions:** While there are no major capital improvement projects planned for 2025 at this time, we are obligated to continue contributing to our reserves to build up funds for future improvements. We will need significant asphalt & concrete work, likely siding in another 10-12 years, & other capital improvements to maintain a community approaching 20 years of age.

Please refer to the chart below for an estimated breakdown of our monthly dues for 2025. Note that these figures are calculated according to our planned budget, & that we must be able to pivot & reevaluate priorities as necessary to cover our expenses, especially any unexpected costly repairs such as those needed for our irrigation system this year. Please also keep in mind that not all maintenance work or improvements will apply equally to all units & that decisions on such expenditures are made based on need.

We want to again emphasize that the decision to raise dues by ANY amount is never an easy one. It is our goal to cover our necessary, (& sometimes drastically increasing), expenses, care for the maintenance needs of our aging community, plan for & fund future improvements, & to be the best possible financial stewards of our community's resources. We will cover this information again at our upcoming meeting on November 19th & have ample time planned on the agenda to address homeowners' questions & concerns.

Best Regards,

Prairie Ridge HOA Board of Directors

