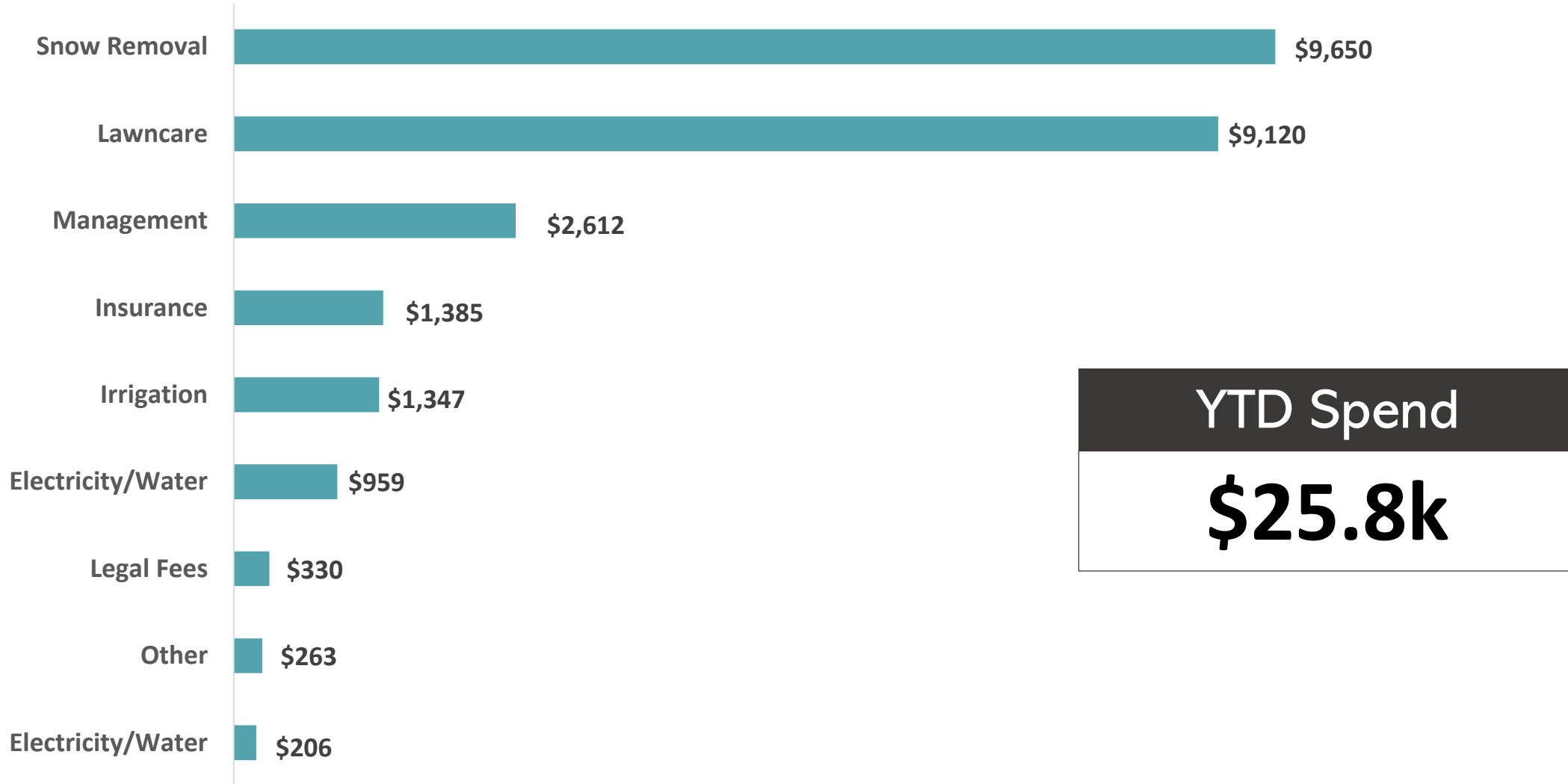


Special Members Meeting  
November 9, 2023

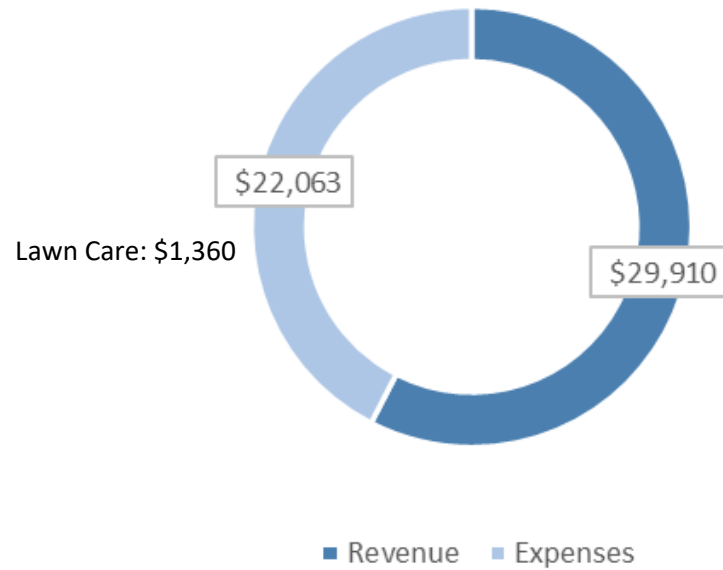
# Cascade Meadows

# Year to Date Expenses

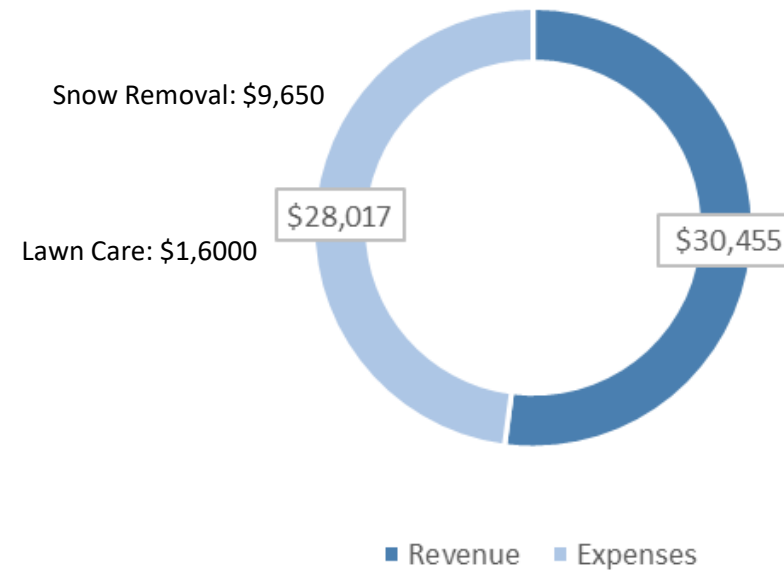


# Asset / Liability Review

2022 YTD

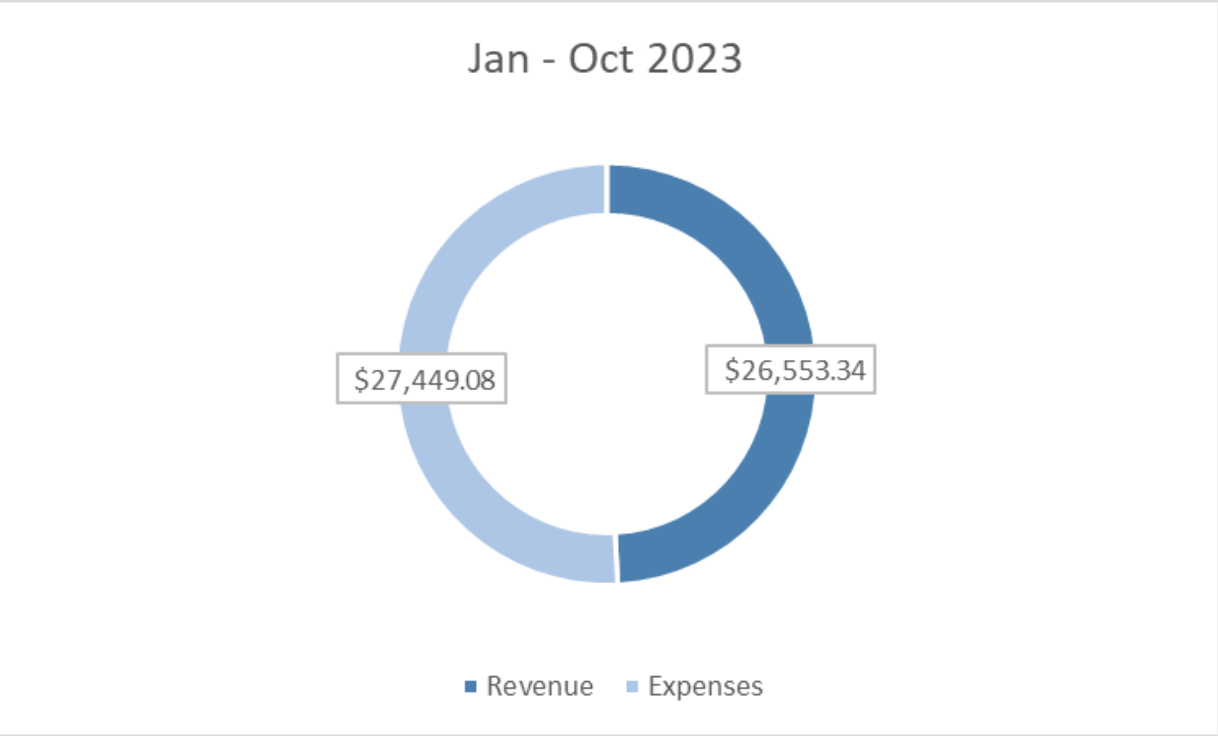


Projected 2023 YTD





# Asset / Liability Review



# Insurance Overview



## Commercial General Liability

**Premium: \$500**  
**Coverage: \$2M**

### What is it for?

It provides protection against third-party claims for bodily injury, property damage, or personal injury that may occur on HOA property or during HOA-related activities. This insurance helps cover legal expenses and potential settlements in the event of a liability lawsuit, which could arise from accidents, property damage, or other incidents within the HOA's responsibility.

## Directors & Officers Liability

**Premium: \$885**  
**Coverage: \$1M**

### What is it for?

It's a policy that safeguards the personal assets and legal responsibilities of the HOA's board members and officers. It provides protection in the event they are sued for alleged wrongful acts, decisions, or mismanagement while carrying out their duties on behalf of the HOA. This insurance helps attract and retain qualified individuals to serve on the board by reducing the personal financial risk associated with their roles.

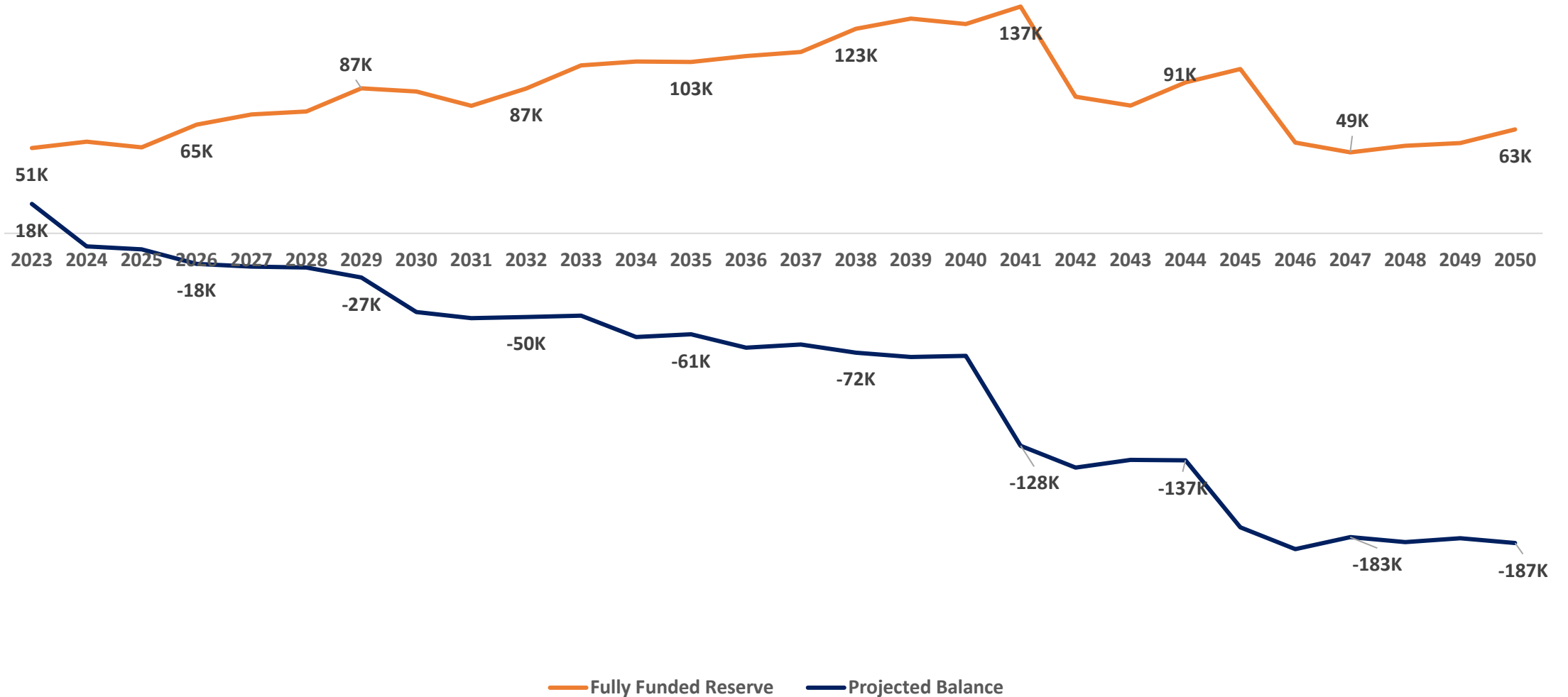
# Asset / Liability Review

Asset / Maintenance Routine	Quantity	Useful Life (Yrs)	Repair Cost	Current Useful Life Remaining (Yrs)
Parking Concrete - Repair - 5%	5% of ~ 1700 GSF	6	\$840	0
Asphalt (Path) - Seal/repair	~ 18300 GSF	6	\$9,200	0
Concrete Curbs - Repair - 5%	5% of ~ 3300 LF	5	\$5,800	1
Asphalt (Path) - Resurface 20%	20% of ~ 18300 GSF	3	\$11,500	1
Concrete Walkways - Repair - 5%	5% of ~ 720	5	\$360	2
Asphalt - Seal/Repair	~ 38400 GSF	4	\$7,700	3
Fiber Cement Siding - Seal/Paint	~ 550 GSF	7	\$690	4
Playground Cover - Refill/Replace	~ 1500 GSF	10	\$3,000	7
Irrigation Clocks - Replace	(5) Controllers	15	\$3,500	8
Asphalt - Resurface	~ 38400 GSF	25	\$57,500	18
Roof: Composition Shingle - Replace	~ 490 GSF	25	\$1,500	22
Playground Equipment - Replace	(1) Unit	25	\$45,000	22
Mailbox Kiosks - Replace	~ 1 CBU	30	\$1,300	23
Sign/Monument - Refurbish/Replace	~ 1 Monument	30	\$6,000	23
West Pole Lights - Replace	~ 1 Pole light	30	\$1,200	23
Picnic Tables/Benches - Replace	(4) Pieces	30	\$2,200	27
East Pole Lights - Replace	~ 1 Pole light	30	\$1,200	28
Fiber Cement Siding - Replace	~ 550 GSF	60	\$4,400	59

# Current Model Assumptions

Driver	Assumption
Dues	3% Increase Annually from Current (\$130)
Utilities	3% Increases each year (in line with inflation)
Landscaping/Maintenance	2% Increases each year
Insurance	\$1,385 planned per year, no increase
Irrigation	3% Increases each year (in line with inflation)
Property Management Fees	3% Increases each year (in line with inflation)

# Current Dues 3% Annual Raises: Output





# CC&R's



## 2.30 Assessments.

(c)...The Association may increase the monthly assessment as it deems necessary, but in no event may the increase exceed 8% of the monthly assessment of the previous year without a vote of the membership as set forth in the Association Bylaws. To increase the monthly assessment by more than 8% above the monthly assessment for the previous year, the change must be assented by not less than a majority of the votes.

(d) From and after the date calculated in Section 2.30(a), the Association may levy special assessments for the purpose of defraying, in whole or in part: (i) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (ii) the cost of any construction, reconstruction or unexpectedly require repair or replacement in connection with the Common Areas.

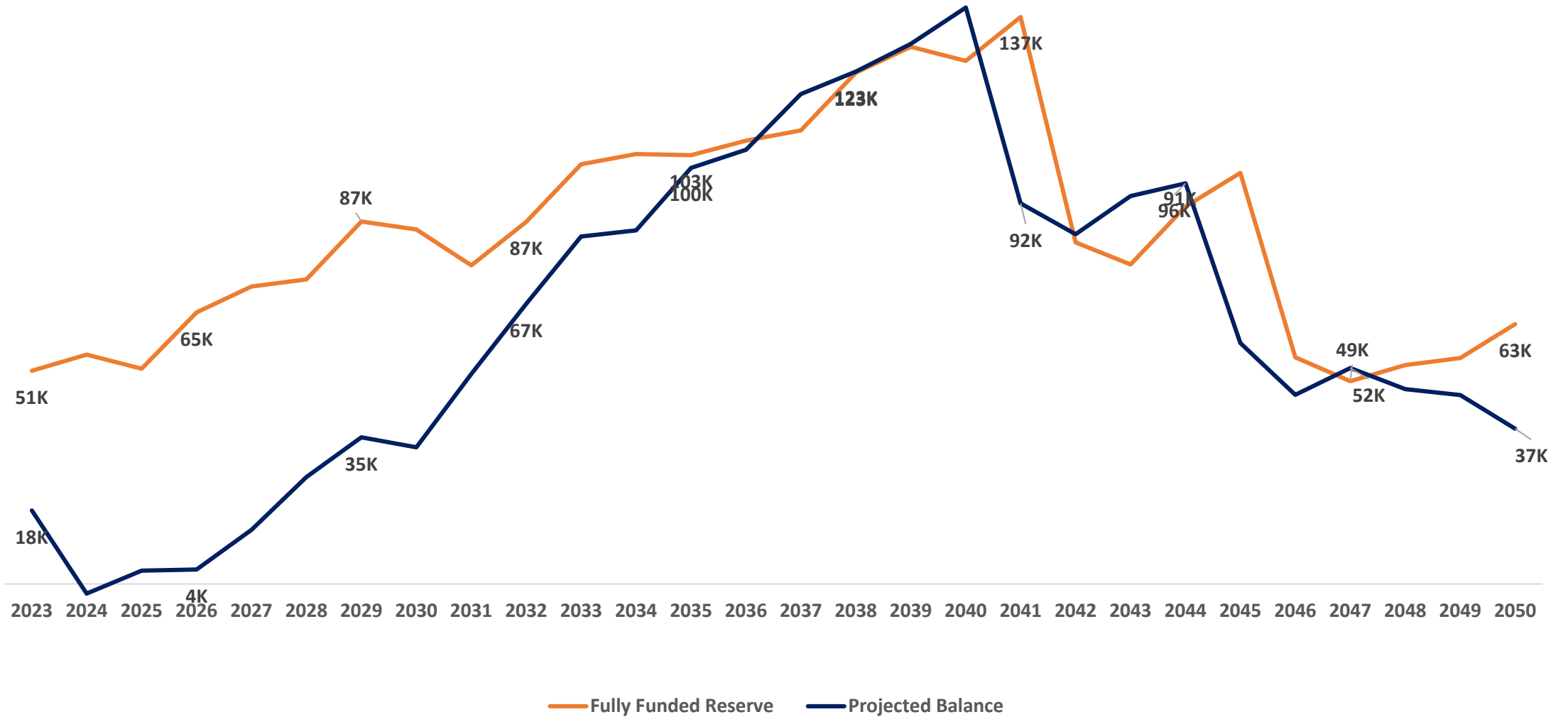
Any

# Recommendation 1: Dues Schedule

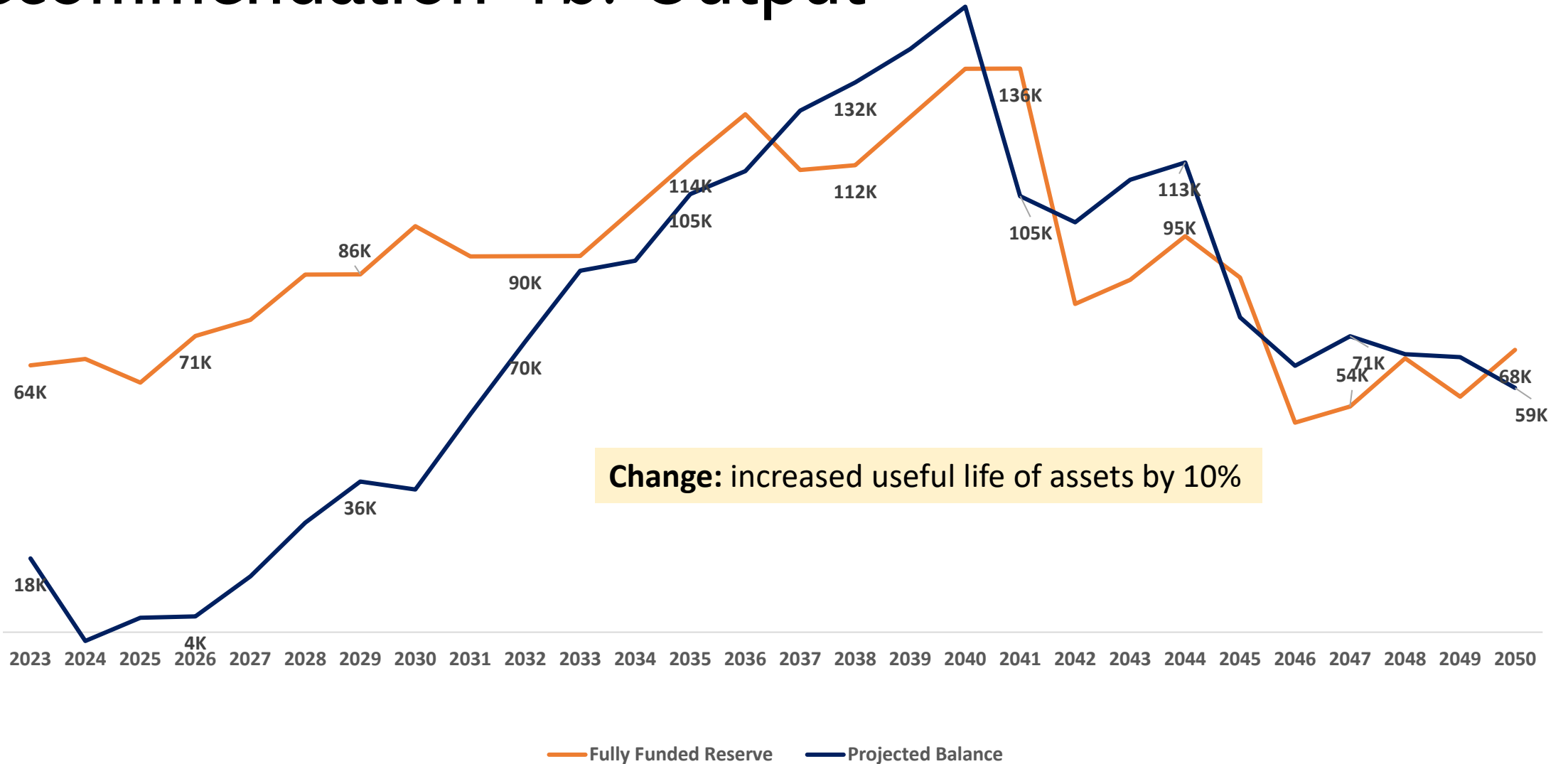
**Proposal:** jump to \$165 followed by 8% increases through 2031, then stabilize at \$260 per month



# Recommendation 1: Output



# Recommendation 1b: Output

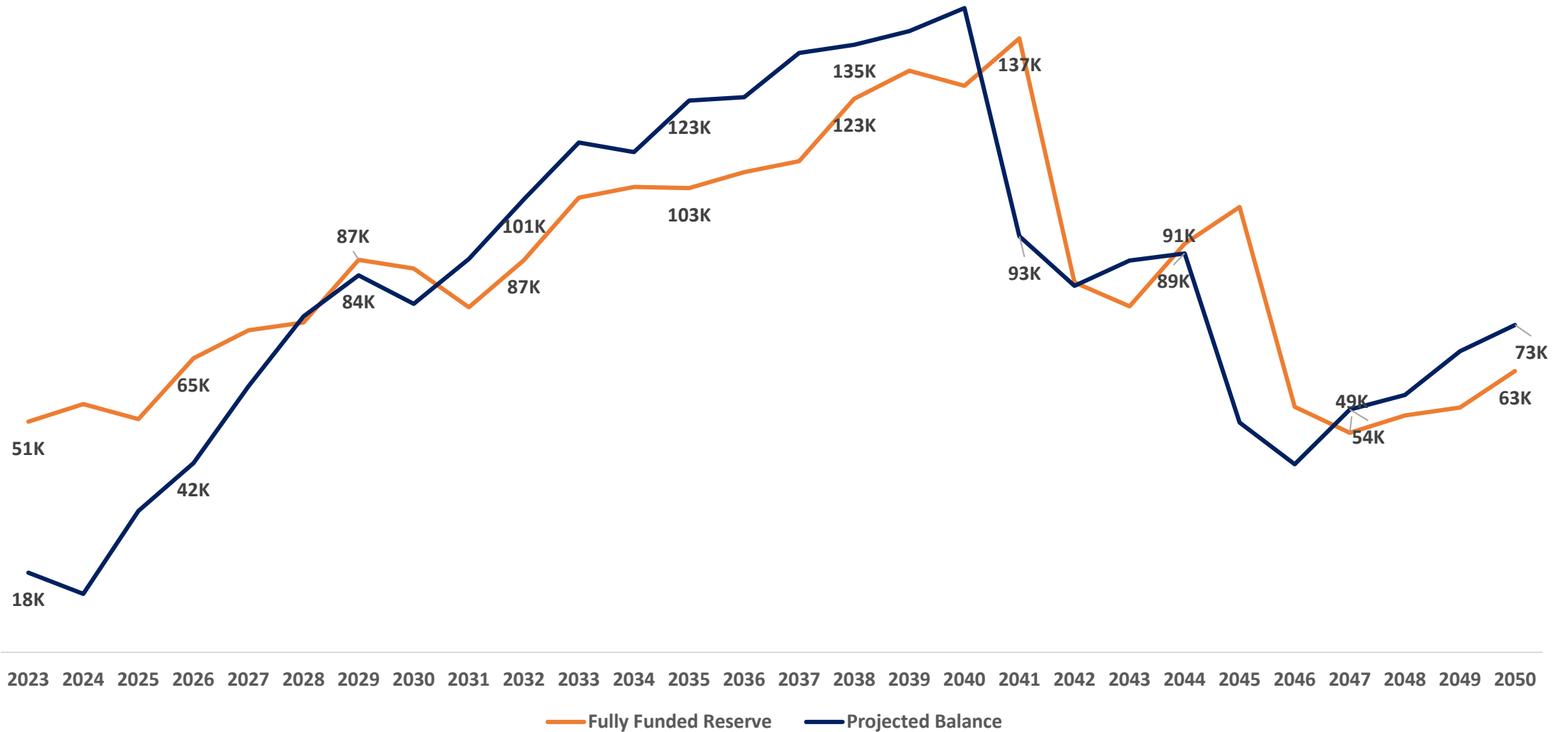


# Recommendation 2: Dues Schedule

**Proposal:** \$250 per month catch up period, then \$240 through 2043 followed by 5% raises each year



# Recommended: Output



# Raising Dues Mitigation Options

Utah law stipulates that HOA Boards can “prudently invest” reserve funds. Best practice for HOA’s is to invest in extremely low risk options while maintaining adequate liquidity for 6-12 months of expenses. This can be a way to insulate homeowners from future increases.

## Option

- **Establish a rotating Certificate of Deposit (CD) purchase program** to manage liquidity and get better yields on reserve funds. Current rates are 5% for 11-month CD’s.
- **Handle large capital expenditures through special assessments** instead of increases to monthly dues

## Risk

**Very low (liquidity risk only)**

**Homeowners don’t properly plan for large expenses**

# Appendix



# Dues 5% Annual Raises: Output

