

# Special Meeting About HOA Dues Increase – Please Read!

**What:** Special Meeting to Vote on HOA Dues Increase:

**When:** Wednesday, January 15<sup>th</sup> 2025 at 6:00 pm

**Where:** The Clubhouse

***We know this is a lot to read, but please, it is important that you do.***

We are asking for your support and vote to increase our dues by \$100 per month at this meeting. As your HOA Board, we have a responsibility and commitment to maintaining the quality and value of our community. The state mandated Reserve Study disclosed what many of us already knew, and what Kirk, (our maintenance employee), has been telling us for years: We simply do not have the budget revenue to keep up with our current maintenance projects, nor do we have reserves in place for any emergencies or future projects.

This has been an ongoing problem for many years when previous HOA boards, trying to keep HOA dues low, neglected to make repairs the right way and instead cut corners. As your Board, we have a duty to respond to the Study, which we addressed in the July newsletter. We have communicated through newsletters, three “walk-about” with Kirk, and two “sit-about”s. We produced a YouTube about those meetings, (which can be viewed by simply doing a Google search for “YouTube+MVV Summer Tour”).

**Insurance:** We are all feeling the insurance increases personally, so you can imagine covering 28 building structures. Our agent told us we need to budget an increase of 20% with our 2025 renewal. Insurance is already our largest budget item, (It was 26% of our total 2024 expenditures!) Our Reserve Study specialist told us our lack of adequate reserves/savings puts us in danger of being dropped from our insurance company, which could then put us in a position of being “blacklisted” from other companies. At the December meeting the Board elected to approve a motion that

increases the deductible for claims from \$10,000 to \$20,000 when we renew.

Decreasing the number of any future claims will help protect us from being dropped. It also saves *some* money on the premium.

**Roads:** Our 50+ year road is 1/3 mile of asphalt that has never been chip sealed or overlaid. Again, Kirk has been telling us what the Study’s specialist put in his report: If we do not do an overlay now, it will be too late to repair and will need to be dug up and completely replaced at three times the cost. Instead of \$170,000 (our current bid), we could be looking at more than a half million dollars, (more for inflation, the longer we wait). Quote from the study: *“The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding, but is the only preventative maintenance, adding structural value while extending a pavement’s service life.”*

## **How We Decided on the Dues Vote:**

At the November Sit-About we got feedback from some residents who felt in addition to the \$100 increase we should also ask for a one-time annual special assessment of \$1000. While this additional assessment would greatly help our low reserve/savings, after careful consideration, the Board felt it might be too difficult to impose on residents in one year. And it would not likely receive an affirmative vote. Kirk made known the most pressing maintenance projects we face. In addition to the road, we need money to fix flat roofs that continue to leak, and dry rot. Painting, gutters and buckling sidewalks are also a priority. With that, we put together a budget that we feel will be accommodated by the \$100 increase.

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**If the Vote is Passed:** *The dues increase is effective immediately.* That means your payment made at the end of January (due no later than February 10<sup>th</sup> to avoid late fees), will be this new amount of \$450. (Continue reading for more information about the new late fee.)

**If the Vote is Rejected:** Dues will remain at \$350. The Board will reconvene about running a second vote in February. Believe us, no one on this Board likes being in this position of having to ask for more than the usual amount. But we can no longer ignore the repercussions if we don't. We have a duty to make sure our community does not get in a financial situation that may cause us to lose our insurance. We need to address our biggest maintenance projects while we still have a highly skilled maintenance employee like Kirk still working here. We cannot ignore the flat roof fixes to avoid future leaks or ignore hazardous roads and sidewalks that could be liability issues.

And if the road continues to be ignored, there is no way of getting around a very large special assessment in the thousands of dollars later. We are in this together. We are asking for your support to fix the road now, so we don't have to ask for more later.

**Proxies:** It is our hope all residents are informed about what's happening here *before voting*. Please watch the YouTube if you were unable to make one of the 5 other meetings. Please talk to your neighbors. And if you are unable to attend the January 15<sup>th</sup> meeting, we have enclosed a proxy form for you to sign, designating another owner in good standing to vote on your behalf. Under the Revised Code of Washington (RCW), proxy votes from owners do count. **We really want owners not living here to vote. They will need to sign the proxy and mail it to another homeowner very soon to allow them to vote on their behalf.**

**New Late Fee Increases to \$50 a month:**

*(This was also in the October newsletter.)*

It is our shared responsibility to pay all monetary obligations on time. These include HOA dues, late fees, fines, interest, and collection costs (including attorney fees and legal expenses, if necessary)

If payments are not made on time, the overdue balance is considered **“in arrears.”**

This year, we have seen a significant number of homeowners fall into arrears. Our community relies on monthly dues to fund critical repairs, grounds, insurance and maintenance. When payments are delayed, it strains an already tight budget and impacts our ability to address shared needs.

In the past, there has been minimal financial penalty for late payments, which has contributed to the problem. To address this, we are increasing the late fee.

Starting **January 1, 2025**, the monthly late fee for unpaid balances will increase from **\$25 to \$50**.

> Late fees will apply **every month** until the full amount owed is paid, including dues, fines, interest, and other charges.

>In other words: **Any overdue balance will incur a \$50 late fee each month until it is completely paid off.**

We count on every homeowner to pay their fair share to keep MVV running smoothly. Late payments hurt our budget by delaying repairs and stretching resources too thin, which hurts all of us.

While it's not pleasant to do, we will continue to approach residents in arrears directly. If unsuccessful, our attorney will be contacted to start the paperwork imposing liens against their property.