

Q & A for Stonepine Annual Dues and Expenditures

August 2018

How are my annual dues paid to Stonepine Overall being used?

A. Lawn mowing and snow plowing utilize over 50 percent of the monies collected by dues annually. Water, electricity, and regular maintenance of the irrigation system consume an additional 14 percent.

B. Property maintenance includes:

1. Main entry on Grandview Drive and Vine Street
 - structures in need of tuck-pointing
 - holiday décor
 - gardens
2. Tennis courts
3. Playground equipment and surrounding grounds
4. Picnic gazebo
5. Signage
6. Mailboxes, mailbox pads and posts
7. Walking paths
 - Grandview Drive
 - Hunter Hill Road
 - Woods path between Grandview Drive and Wisconsin Street
(We have a \$10,000 bid to repair this path)
8. Assessments for city improvements
 - Replacement of curb, gutter and asphalt on Grandview Drive resulted in a \$9,000 assessment from the City of Hudson.
 - Replacing the damaged portions of the sprinkler system due to the construction was an additional \$12,000.

Why did our annual dues go up this year?

Stonepine Overall is currently underfunded. The raise in dues accounts for ongoing maintenance and repairs in a development that is 20 years old. The Board has the power to raise dues 5 percent each year. The Board approved the increase and will continue to do so for the next five years until each household is paying \$215 to account for the deficit. Comparable developments incur association dues from \$200 to \$400 annually.

What about our reserves?

We used approximately 50 percent of our statutory reserves to cover the Grandview Drive construction assessment and sprinkler repairs.

Do all Stonepine residents pay their annual dues?

In the past, some residents did not pay or were very slow to pay. We have had to write off some dues after the bank foreclosed on the homeowners. In response, the Overall's financial administrator has worked hard to follow up with residents who don't pay on a timely basis. The procedure is as follows:

- In August, residents who missed the dues deadline are charged a late fee.

- In September and every month thereafter, residents are charged interest on unpaid balances.
- In November, anyone not current with their payment will have a lien placed on their home. An additional fee is charged at this time to cover reasonable collection costs and legal fees.

As of June 30, 2018, there were no unpaid dues and no write-offs were taken. This is the first time in several years that all homeowners paid their dues on time.

Are our annual dues enough to be reasonable and still cover expenses?

Previous Board of Directors did not charge enough in dues to allocate funds for ongoing improvements and repairs. A fiscal deficit will continue to grow in order to uphold the safety, quality and reputation of Stonepine Common Areas, structures, and grounds. The dues need to be raised to \$215-220 annually in order to maintain a healthy reserve. It will take about five years to reach this amount with a 5 percent annual increase.

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