

Letter from WSG VI Treasurer, Hoyt Taylor

Apologies for this rather long note, but since an in-person meeting is highly unlikely in this time of COVID, I hope this message will answer questions you may have.

First some background. Our monthly dues go for a whole host of purposes. We have insurance on our homes, landscaped grounds, dangerous tree and limb removal, care for our garages and the exterior of our homes (including pressure washing, termite control, regular repair work, and the very costly reroofing), paving for our closes, storm water and sewer services outside our homes, trash and recyclable collection, and community electric lights, all paid for out of our monthly dues. Many of these costs are part of our ongoing operating budget and some, like reroofing and paving, are very large, expensive projects (several hundred thousand dollars each) that must be prepared for well in advance and come out of our Reserve Fund. All of them are subject to inflationary pressures.

Last year, when COVID struck, we did not have an in-person Annual Meeting, and because of the serious disruption to people's lives, the Weathersfield Board decided not to seek an increase in the monthly dues even though insurance rates were going up, trash collection rates were increasing, and the previous year (2019) had been a challenging one financially with sewer and tree damage costs disrupting our budget significantly. Though we needed to make up for lost ground in our Reserve Fund in preparation for paving and roofing expenses, the anxiety of the year persuaded the Board to let the dues remain unchanged. As it turned out, we did not get hit by any unforeseen expenses, and I think our decision was a good one.

This year, we have had some particularly high landscaping costs as we continue to pay close attention to the dangers that our many trees present, and we can no longer afford to postpone repaving in some areas of Weathersfield. And looming ahead, as ever, is the beginning of the next round of reroofing our homes that is scheduled to begin in 2027. Moreover, the inflation rate has recently jumped and will certainly affect our operating budget as well as our major Reserve Fund projects.

For these reasons, and to remain on track to follow our Baseline Reserve Plan created in 2018, prudent community-wide responsibility requires a monthly dues increase of \$25 per unit, for which we need a yes vote from 2/3 of voting members. As you consider this, please recall two very important things:

- 1) There was no increase in our dues last year, and
- 2) Our covenants allow for dues to be raised each year, without a vote, by the annual Consumer Price Index increase plus 10% of that increase. For this year alone, that would mean an increase of \$19.80/mo.

Respectively yours, Hoyt Taylor

WSG Reserve Fund Report and Financial Report for Annual Meeting

November, 2021

Weathersfield Bylaws, Article XVIII RESERVE FUNDS:

Section 6. Reserve Fund Report. Members of WSG VI shall be advised in writing of the following, not more than sixty (60) days and not less than thirty (30) days prior to each Annual Meeting:

- a. Any significant adjustments to the assumptions used to manage the reserve account such as useful life, replacement costs, interest rates and inflation factors.*
- b. That part of the annual assessment to be allocated to the reserve account for the next calendar year.*
- c. The status of the reserve account, including but not limited to information such as total monies in the account, rate of return, list of investments and expenditures with purpose of each.*

Reserve Fund Report

a. Interest rates on CDs are exceptionally low at this time so the WSG VI reserve account is presently in a money market account earning 0.15% annual interest. Inflation has gone up recently, but it is not clear that it will continue at the higher rate, COVID related as it is, and it is not clear how interest rates will be affected. If rates rise, WSG VI will once again purchase CDs.

b. For 2022, \$89,000 is projected to be allocated to the reserve account which should catch us back up to the 2018 Baseline Reserve Plan projections after the significant expenses of 2019 and this year, 2021.

c. The reserve account is presently valued at \$312,000, with another \$66,000 in our operating budget checking account. A paving project scheduled for October, 2021, and one-time work on the WSG VI path running parallel to Village Way from Swim and Croquet to the Smokehouse, will require about \$100,000 from our reserves. More paving will be necessary in the near future, and the reroofing of our homes is scheduled to begin in 2027, very expensive projects to be paid for out of our reserves.

Hoyt Taylor
WSG Treasurer
Sept. 20, 2021

Weathersfield Bylaws, Article XII ASSESSMENTS:

Section 1. Financial Report. At each regular annual meeting of the members, the Board of Directors shall present a budget and an estimate of the assessment for the succeeding calendar year together with a statement of income received and expenditures incurred by WSG VI in the current year up to the date of said annual meeting, and shall make available a copy of such budget, assessment estimate, and statement to the members.

Financial Report

The 2021 budget, with income and expenditures through August of this year, and a 2022 projected budget is provided with this report. The 2022 projected budget includes a \$25.00/mo dues increase per unit, the rationale for which is given in an included letter.

Hoyt Taylor
WSG Treasurer
Sept. 20, 2021

2022 Budget Worksheet (9/20/21)

	2021 actual as of 8/31/21	2021 full year budget	2022 proposed budget	Difference (2022-2021)
Income				
Late Fee	\$260	\$0	\$0	\$0
HOA Assessment	\$258,295	\$386,880	\$418,080	\$31,200
Interest	\$343	\$2,000	\$500	-\$1,500
Total Operating Income	\$258,898	\$388,880	\$418,580	\$29,700
				\$0
Expense				\$0
Administration				\$0
Admin.Misc.& Bank Fees	\$50	\$500	\$500	\$0
Tax Returns	\$450	\$500	\$500	\$0
Insurance	\$41,669	\$50,000	\$55,000	\$5,000
Legal	\$1,605	\$1,500	\$2,000	\$500
Management Contract Fee	\$16,000	\$24,000	\$28,000	\$4,000
Meetings	\$0	\$200	\$200	\$0
Postage & Printing	\$0	\$1,000	\$900	-\$100
Website	\$33	\$50	\$50	\$0
Total Administration	\$59,807	\$77,750	\$87,150	\$9,400
Grounds				\$0
Grounds-Other	\$26,823	\$27,000	\$27,000	\$0
Landscape Contract	\$50,520	\$75,780	\$77,292	\$1,512
Tree Removal	\$38,504	\$26,000	\$30,000	\$4,000
Total Grounds	\$115,847	\$128,780	\$134,292	\$5,512
Maintenance				\$0
Building Maintenance	\$34,778	\$45,000	\$50,000	\$5,000
Pressure Washing	\$0	\$7,500	\$7,500	\$0
Termite Contract	\$0	\$3,000	\$3,000	\$0
Total Maintenance	\$34,778	\$55,500	\$60,500	\$5,000
Utilities				\$0
Electric	\$2,288	\$4,200	\$4,600	\$400
Sewer Services	\$3,792	\$8,000	\$8,000	\$0
Storm Water	\$0	\$5,000	\$5,000	\$0
Trash Removal	\$18,304	\$27,500	\$30,000	\$2,500
Total Utilities	\$24,384	\$44,700	\$47,600	\$2,900
Total Operating Expenses	\$234,816	\$306,730	\$329,542	\$22,812
Total Operating income	\$258,898	\$388,880	\$418,580	\$29,700
				\$0
Net Income	\$24,082	\$82,150	\$89,038	\$6,888