



# 2018 PROPOSED ASSESSMENT INCREASE

Current Assessments	
General Operations	\$310.00
General Reserves	\$145.00
Future Reserves	\$15.00
Water Base Rate	\$185.00
<b>Total</b>	<b>\$655.00</b>

Proposed Assessments	
General Operations	\$395.00
General Reserves	\$145.00
Future Reserves	\$15.00
Water Base Rate	\$185.00
<b>Total</b>	<b>\$740.00</b>

## Proposed Increase:

The proposed increase is for the General Operations portion of your annual assessment. This increase will help to fund all general operation areas of the community budget. This increase will not affect any of the Reserve funds.

## Reasons to vote YES for the Proposed Assessment Increase:

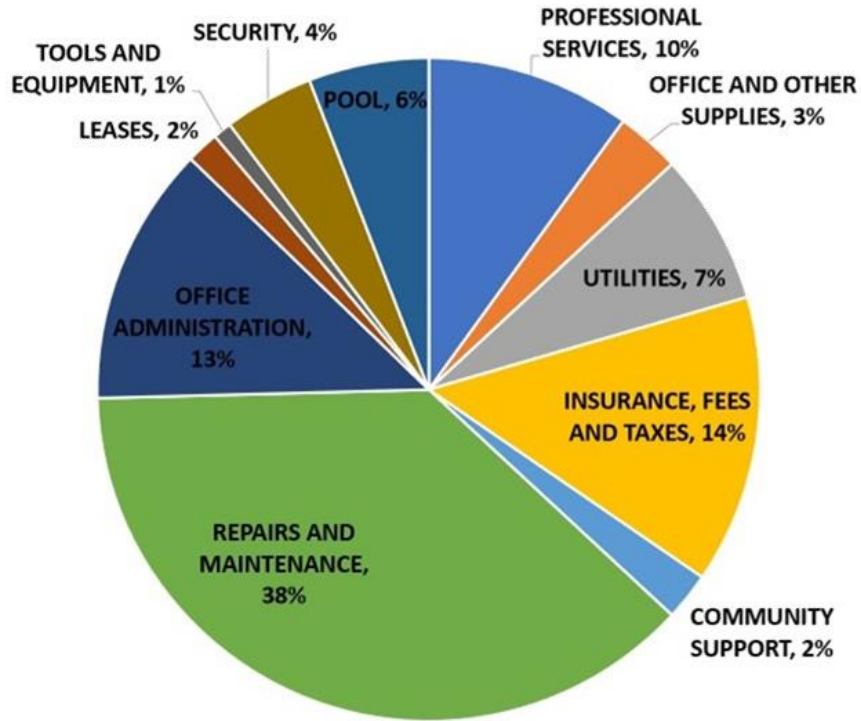
- Ability to maintain current office hours and maintenance schedules
- Ability to maintain trails for recreation
- Ability to maintain a healthy lake and beach system; keep structures in good repair
- Maintain expanded pool schedule
- Replace and repair antiqued computer equipment
- Meet the demand of rising fuel, utility, insurance, legal, and costs of goods and services
- Retain our experienced, skilled staff by providing a living wage and health benefits
- Maintain playground and recreational amenities to safety standards for our residents
- Continue to responsibly fund Community Activities for the morale and welfare of our residents

## Special Meeting Information:

- Proxy votes must be notarized and can be either mailed to the office and assigned to a Board Officer; or notarized and mailed to a member that will be in attendance at the meeting. If the member you assign your proxy vote to does not attend the meeting, your vote will not count.
- Each lot is allowed 1 (one) vote. If you own multiple lots, you are allowed 1 (one) vote per lot.
- Each member in good standing will be counted toward the quorum at the special meeting. A member who is holding 3 (three) Proxy Forms of members in good standing will count for a total of 4 (four) towards the quorum.
- If you are renter, and the property owner has given you the right to vote in their place, you should have an authorized agent representative form on file in the office that has been notarized and gives you specific rights in place of the owner to include voting and/or sitting on committees. The Proxy Form in your Meeting Notice Packet is specifically for the Special Election. The Proxy Form is a one time authorization for a Special Meeting vote.
- The quorum for the Special Meeting, as stated in our CC&R's, is 50% of the members present at the last Annual Meeting. Our last Annual Meeting was held August 19, 2017, and there were 35 members present. Therefore, 18 members need to be present in order for a quorum to be met, enabling the meeting to be held and votes to be cast.

# A LOOK AT THE FINANCES

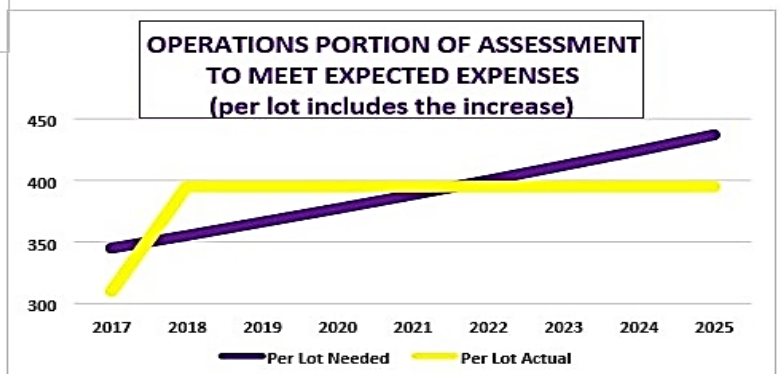
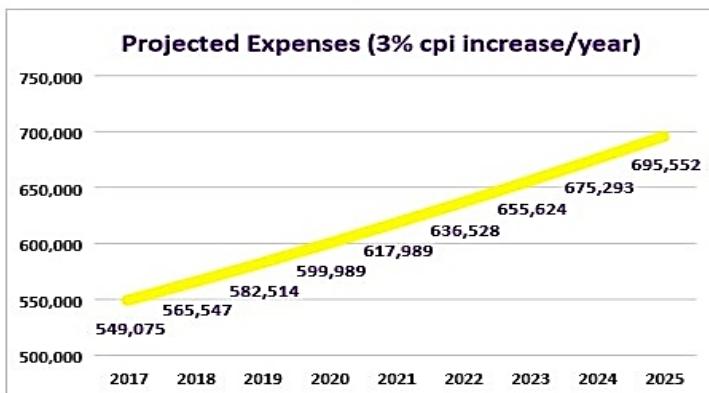
**Expense Breakdown**



The chart above breaks down where our expenses currently are, broken down by department.

The chart below shows expected expenses and how much we will need to meet these

**EXPECTED EXPENSES AND OPERATIONS ASSEMENT AMOUNT NECESSARY TO MEET THEM**



# FREQUENTLY ASKED QUESTIONS

## I'M RETIRED AND ON A FIXED INCOME. MY SOCIAL SECURITY INCREASES ARE MUCH LESS THAN WHAT YOU'RE ASKING. I CAN'T AFFORD THIS INCREASE SO WHY SHOULD I VOTE FOR IT?

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It's true that this increase is much larger than the average social security annual increase. However, we have not had an operations assessment increase in 7 years. In those same seven years, the average social security monthly benefit increased by a total of \$113.00 and twice that in a two-adult household. Compare that to the monthly assessment increase amount, \$7.08. The fact is, living in an HOA comes with assessment fees. Those fees are going to increase over the years as costs increase. It is the price of living in an HOA with amenities. If you had a single-family home in Yelm with a swimming pool, a lake on your property, wooded acreage with walking trails and staff managing your affairs and keeping your property in shape, your annual expenses to continue that lifestyle would increase considerably more than \$7.08/month each year.

## YOU SAY YOU'RE ONLY ASKING FOR \$395 FROM US, BUT WE PAY A LOT MORE THAN THAT ALREADY. WHY CAN'T YOU JUST USE THE REST OF WHAT WE PAY TO COVER THE INCREASE IN COSTS?

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Your total assessment consists of four separate pieces. Operations, General Reserves, Water Reserves and Future Reserves. We are not allowed by law to spend reserve funds for operations expenses.

## I UNDERSTAND THERE IS A SUM OF MONEY SOMEWHERE IN THE \$90,000 RANGE, THAT THE BOARD REFUSES TO SPEND. WHY SHOULD WE GIVE YOU MORE MONEY WHEN YOU OBVIOUSLY HAVE MORE THAN YOU NEED?

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There are several factors that affect our ability to "spend" this money. First, there is an operating resolution passed by a previous Board that limits what this money can be spent on. The Board is in talks with our auditor and our attorney on how this fund should be treated. Second, we do spend this money, but for emergencies and unforeseen emergencies. For example, a portion of it was used for the major snowstorm we had this winter. Third, once this money is gone, it's gone. If we were to spend it all in 2018 to supplement the budget, what would we have in future years if we had an emergency such as another snowstorm? This money must be spent prudently; making sure that both current and future needs are satisfied.

## IF THE INCREASE DOESN'T PASS, WHERE WILL WE SEE THE CUTS?

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The reality is, costs have increased astronomically since the last increase. We cannot support the community year after year when costs go up and income doesn't. It's unfortunate that when we have to cut costs, we must first make sure necessary expenses are met, such as utilities, taxes, contractual expenses and other costs we have no control over. Once funding is earmarked for those expenses, we must start looking at where we can cut. Since maintenance is the biggest slice of the "funding pie", they will probably see the most cuts. Cuts in maintenance means things like snow removal, grounds maintenance, trail care and other maintenance items do not get done. Other areas that will see cuts will be "nice to haves". The Board has a responsibility to maintain the community to the best standard it can with the revenue we receive, and that must take priority over other items.

## WHY DO WE PAY OVER \$20,000 PER YEAR TO THE SHERIFF AND WHY CAN'T WE CUT THAT AMOUNT DOWN?

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The amount we pay to the Sheriff for extra patrols in Clearwood was determined by 2 separate member resolutions, which were voted on and approved by members. One resolution was for \$5 per lot per year for a total of \$6,775 per year. The second resolution was for an additional \$10 per lot per year for a total of \$13,550 per year. The total amount of these member resolutions comes to \$20,325 per year that can only be used for this purpose. It would take another member resolution and vote to lessen this amount.

## I PLAN ON SELLING MY HOUSE IN THE NEXT FEW YEARS, WHY SHOULD I VOTE FOR THIS INCREASE?

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Selling your home is one of the best reasons to vote for this increase. This increase will allow us to provide maintenance with staff and supplies to be able to maintain our community to expected standards and your house value will increase far more than the \$85 per year you will pay.

## WHY CAN'T WE JUST SHUT DOWN SOME OF OUR AMENITIES IF WE CAN'T AFFORD TO KEEP THEM GOING?

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These amenities were here when you bought your home and contributed to the selling price. The Board has the legal and moral obligation to make sure they are maintained for all members. The upkeep of this community and its amenities directly affects the value of your home. If we cannot keep our community in good condition, your home value will drop.

# HAVE MORE QUESTIONS?

## IF YOU STILL HAVE QUESTIONS – YOU HAVE OPTIONS!

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We do not want you to be confused or vote no just because you don't understand parts of this process or the reasons we are asking for the increase. We understand it can become overwhelming, and it's easy to just listen to your neighbors and their complaints and rumors. We would rather you come to us with your questions, and we promise to answer you fully and honestly. We will take the time to speak to you in person or on the phone, or if you would prefer, answer your emails, etc. We want you to feel comfortable with all this information!

All you need to do is send an email to [info@clearwood.org](mailto:info@clearwood.org) and let us know you would like to speak to us in person, on the phone, or via email and we will get back to you as quickly as possible.

If you haven't already, please feel free to visit our website to view a 15-minute presentation regarding our budget and this proposed assessment increase at: [www.clearwood-yelm.com/electionsinfo.html](http://www.clearwood-yelm.com/electionsinfo.html)

You may also attend a regularly scheduled Finance Committee Meeting on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of the month at 1:30pm, or a more informal Finance planning meeting on the 4<sup>th</sup> Thursday of the month at 7:00pm to ask questions as well.

Thank you for taking the time to review this important information and we look forward to seeing you at the Special Meeting scheduled for October 28, 2017 at 9:00am at the Bald Hills Fire Department.

Clearwood Board of Directors and Finance Committee