

Saddlebag Creek Ranches
Homeowners Association
Board of Directors
P O Box 432
Myakka City FL 34251-0432
Board@saddlebagcreek.org

Annual dues increase by \$100

11 October 2017

Saddlebag Creek Ranches Homeowners Association property owners

Dear fellow property owner:

A key obligation of the homeowners' association leadership is preservation of community assets. None is of higher value and significance relative to our property values than our roadways.

During 2016, the association board engaged an engineering firm to analyze the foundation (or base) of our roadways to gauge their stability and longevity, particularly as we were concerned with the deteriorating condition of the water drainage system, much of which runs beneath the roads.

Fortunately, the study found that the road foundation was in sound condition. This report was presented at the annual meeting and is available in the annual meeting presentation material found on our web site.

The drainage system, however, is in need of repairs and is being addressed as a separate project with repair commencement likely before the end of this year or early next year, depending on weather conditions.

The next phase of the roadway analysis was to secure resurfacing bids and estimations of remaining life on the asphalt pavement to determine at what cost and when it would be necessary to repave the roadways.

Superior Asphalt and Ajax Paving submitted roughly similar quotations (Superior's was lower) with both estimating we have a minimum of 5 years remaining life on the current pavement. These remaining life statements are only estimates as no one can predict the type of traffic we will have in the future. They are also conservative, meaning we could see a few years beyond the 5 they forecast prior to needing resurfacing. Superior did recommend some interim repair / mitigation where there are water retaining depressions. These interim repairs have been considered in our budget analysis.

The attached MS Excel spreadsheet modeled the future cost of Superior's quotation factoring assumptions such as interim road repair, cost escalation, reserve minimums, swale repair, and our annual operating cost balanced against the association income and existing funds.

The modeling indicates that an increase of the association annual dues of \$100 per lot, for a total of \$600/lot per year, will position us favorably for road repaving in a 5-6-year period. As time progresses and we conclude the water drainage system restoration, we will be in a better position to understand future association financial requirements.

Per our governing documents, which permit up to a 25% per year dues increase at the discretion of the Board of Directors, a \$100 dues increase (20%) will be applied to the 2018 annual dues invoice, which must be paid by January 31, 2018, to avoid a late fee and interest.

The annual dues invoices will be mailed to addresses of record early in December.

Thank you for your support & please call any board member – or email the Board, Board@saddlebagcreek.org – with any questions.

On behalf of the Saddlebag Creek Ranches Homeowners Association Board of Directors

Jack Duich - President

Saddlebag Creek Ranches
Homeowners Association
Board of Directors
Board@saddlebagcreek.org

Superior Roadway quotation Augsut 2017 for overlay

	Road overlay cost 5%/year escalation		available for road overlay with no dues increase (assume +\$13K/yr.)	available for road overlay with \$100 dues increase (assume +\$19K/yr.)	available for road overlay with \$50 dues increase (assume +\$16K/yr.)	Road overlay 3%/year escalation	Road overlay 4%/year escalation
2017	\$172,646		\$114,000	\$114,000	\$114,000	\$172,646	\$172,646
2018	\$181,278		\$127,000	\$133,000	\$130,000	\$177,825	\$179,551
2019	\$190,342		\$140,000	\$152,000	\$146,000	\$183,160	\$186,733
2020	\$199,859		\$153,000	\$171,000	\$162,000	\$188,654	\$194,203
2021	\$209,852		\$166,000	\$190,000	\$178,000	\$194,314	\$201,971
2022	\$220,344	Year 5	\$179,000	\$209,000	\$194,000	\$200,143	\$210,050
2023	\$231,361		\$192,000	\$228,000	\$210,000	\$206,148	\$218,452
2024	\$242,930		\$205,000	\$247,000	\$226,000	\$212,332	\$227,190

HOA Funds as of July 1

checking	\$54,396
capital reserve	\$99,488
road reserve	\$25,572
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	\$179,456

One-time dues increase of \$100 to \$600/yr.

Reserve level ~\$170K (keep \$10K in checking account)

Assume \$20K swale repair

Reserve minimum \$20K

Balance for roadway \$130K

2017 roadway repair \$16K

Remainder for overlay \$114K

Income of \$30K/yr for 60 lots at \$500 each

\$600 dues = \$36K/yr.