

The West Bluff Hills News

issue #3 (5/5/19)

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How our budget works

In the [last issue](#), we discussed how the homeowners association operates, what the duties of the board members are, and how Davis-Sterling rules set the climate for what board members can and cannot do. Now, we will take a quick look at our budget.

Where do our HOA monthly fees go? Why do we pay so much? Why do fees seem to always go up? To address these questions, we must take a look at our budget. A good way to describe the budget is to think of a bunch of buckets, about 30 of them. Each month, a percentage of your fees are put into each of the 30 buckets. Buckets have names like "electricity", "gas", "rubbish removal", "tree trimming", "pool contract", "pest control", "management contract", "insurance", "legal" and even a bucket for "postage".

Every month, money goes into the buckets and during the month, money comes out. Ideally, the buckets never run dry but if they do, the deficit must come from somewhere, perhaps a different bucket with excess funds.

At the end of each year, all homeowners are mailed a "Year End Disclosure". In the packet is the board approved [operating budget for the coming year](#). This is an interesting document to look over. The average HOA fee is \$337 per month. The first column shows how much of that \$337 goes into each "bucket". The second and third columns show how much total from all 80 units goes into each "bucket" per month and per year. The last column is a good one to look over as it lists the percent of each item of the total budget (basically, the size of each bucket). For example, of the \$324,000 we pay in and spend each year, only \$300 is spent on "common area cleaning supplies". That equals 0.09% of the total budget, a very tiny bucket. On the other end, are the big elephants: Water and Sewer, 14% (\$46,000), Landscaping, 9.64% (\$31,200), and Electricity, 5.19% (\$16,800). Yep, that's right, our monthly electric bill is about \$1400 (lighting, laundry machines and pool/spa)!

But the "Really Big Elephant Bucket", the biggest bucket by far is what is called Reserve Funding Expense, a whopping 28%. Of the \$324,000 we pay in each year, \$91,000 of it goes to the reserve fund. The reserve fund is a contingency fund, like a savings account. It is a fund that we tap when big repairs are needed, like roof replacement, exterior painting or resurfacing the roads and parking lots.

The recent \$22,000 pool renovation did not come from an operating budget item but came from our reserve fund. We will be discussing the reserve fund in more detail in a coming issue, and anyone considering purchasing a condo, should study this document and the yearly budget prior to a sale. Please take a moment or two to look over [our budget](#) and familiarize yourself with the "30 buckets"!

A board meeting was held on April 23, 2019 at the new (Prescott) management company office in Carlsbad. Our new property manager is Lori Graham and if you are a WBH owner and need to contact management, call 760-634-4700, or email: customerservice@prescottmgt.com Prescott is a big company so be sure to state that you are a West Bluff Hills homeowner and Lori Graham is your manager.

Here are some of the topics discussed at the meeting

- **Towing:** The board was presented two options on the towing of vehicles.
1) Only allow a tow with approval from a board member or the property manager or 2) Give Western Towing, our contracted tow company, permission to tow any vehicle parked in any red zone (including in front of garages) at any time, without a sign off. The board voted for the latter but it will not be enforced for at least a couple of weeks as curbs are being repainted. All homeowners and residents will be notified by mail prior to the effective date of this action.
- **Parking Rules:** After all the hoopla, one wonders why the parking rules weren't listed on the agenda but they were briefly discussed anyway. One homeowner in attendance asked if the new rules were now in effect and was told that they weren't. Note: These parking rules are still in the "approved" but not the "adopted" state. For them to become effective, the board must hold one more vote, a vote to adopt. We can almost guarantee there will be no motion or vote to adopt. This will render our petitions to reverse unnecessary. Thanks again for everyone's involvement! That doesn't mean that a different document with the same principles won't resurface at a later date, but we will let you know if one does. So, parking rules, for now, will remain as they have for the past few years. ([see current rules here](#)).
- **Landscaping:** There will be some extensive renovation and big changes to our landscaping by Benchmark, (our contracted landscape company). Water hungry plants and grass will be removed and replaced with drought tolerant varieties. It will be done in phases. Phase 1 will be at the North end of the property. We will try and get more details and report more on this as it progresses.
- **The next scheduled board meeting** will be held May 28th, 6 pm, at Prescott Companies, 5950 La Place Ct. Ste 200, Carlsbad. Homeowners are encouraged to attend. Once you enter the building, go up the stairs to the second floor. We plan to report on this meeting.

Other news:

- **Pool Locked:** The pool and spa are [temporarily closed](#). We are not exactly sure why but heard that it has something to do with the gates and not the pool.
- **Monthly HOA dues payment:** Even if you signed up for automatic withdrawal, your May HOA fees will likely need to be paid separately. You have until the 30th before this month's dues become late. If you have any questions regarding your billing, contact Prescott at 760-634-4700 or email customerservice@prescottmgt.com

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