



Memo

To: Ransom Canyon POA Members

From: Trey Tagert, RCPOA President

Date: April 2, 2025

RE: Response to questions from the floor at last night's annual membership meeting

Are the budget projections realistic? Why are you presenting a budget that reflects a loss for 2025?

The budget is the Board's best effort at a realistic projection of income and expenses in 2025. We did not seek to make overly optimistic projections about revenue and expenses. This would only conceal the true financial picture from the members, and that is not our aim. Expenses overall are projected to increase a modest amount mainly due to continued cost inflation. Also, our total revenue is projected to decline significantly because of an anticipated decrease in revenue from the venue rentals, transfer fees, and pool memberships.

Please note: In 2024, actual earnings were \$24,301.20 (or 9%) lower than projected. Also, actual expenses were \$19,536.94 (or 10%) higher than projected. In other words, the budget was overly optimistic on the order of \$43,828.14. We do not want to make a similar estimation error in 2025.

As indicated in our materials, this year, we anticipate that venue rentals will be down by 35%. Also, we will forgo some income this year as we will not be offering pool memberships to non-residents (who pay more than residents). Transfer fees are also expected to be down by a modest amount.

In the event that we have underestimated pool revenue for 2025, and all other projections are accurate, our total revenues *will* be higher than projected. *However, if pool revenue for this year matched the pool revenue for last year, we would still have a loss (although a smaller one than projected.)*

How do we know there won't be future increases? Can you commit not to increase in the future?

I can firmly commit that if the assessment increase passes, I will not be proposing any further increases to the annual assessment for as long as I am on the Board, however, I cannot make a binding commitment that would prevent a future board from doing so. As of today, according to our current bylaws, raising the annual assessment requires a membership vote. Any increase in subsequent years would also require a membership vote. As it has been 60 years and there has never been a successful vote to increase the dues, I don't think this is a likely scenario. With this ballot, the board is not asking for additional authority to increase dues without a membership vote. We can address placing any additional limits on future increases that the members support when we hold the vote to update the bylaws later this year.