

Lake Tishomingo Property Owners Association
5699 Lake Tishomingo Rd
Hillsboro MO 63050

May 28, 2019

Dear Property Owner,

At the upcoming June 15th annual election there will be a ballot issue to raise the assessments by \$1 per front foot.

The LTPOA board strongly endorses a vote YES on this ballot issue. Attached are detailed explanations of the issue and financial data.

The future of your community depends on having enough funds to maintain and improve it. Please vote for the assessment increase.

Sincerely,

Steve Blaha
Mike Steeno
Shelby Reneski
Jon Riche
Doug Leeker
Ken Stojeba
Roy Hummel

LTPOA Board of Directors

It's time for a RAISE!

Why should we raise our assessments?

The last raise in assessments was in 1999, 20 years ago. Since that time, the cost to maintain our community has increased drastically. We all realize the growing costs of goods and services every time we make a purchase. The rising cost of wages has made it more expensive for the lake to hire workers. In addition, the asphalt material we purchase to maintain our roads has increased in price. Other yearly expenses include: insurance policies, property taxes, water testing, maintaining 14 miles of culverts, 600,000 square feet of land and lawn maintenance, gate costs, and signage. It's a testament to all our board members over the past 20 years that our development has been maintained so well. However, we cannot continue this level of maintenance with our current yearly income from assessments. Our costs to maintain the subdivision are simply more than our current assessment revenue.

	1999	2019	Percentage Increase	Cost %
Consumer Price Index (CPI)	\$164.70	\$252.67	53%	153%
Asphalt \$/ton	\$168.00	\$501.00	198%	298%
Minimum wage \$/hr	\$5.15	\$12.00	133%	233%
Property values (housing CPI)	\$162.80	\$260.20	60%	160%
Tishomingo assessments	\$3.00	\$3.00	0%	No change

*The Consumer Price Index (CPI) is a measure of the average change in prices paid by consumers for goods and services.

Can't we raise the assessment later?

Unfortunately, no. Without a raise in assessments we have two options, go into debt or spend less on maintenance. Neither is an option that will keep our community running and desirable. Going into debt to maintain the community is not sustainable and spending less on needed maintenance will just cause the slow deterioration of Tishomingo. We have all heard about the financial problems at other lakes in our area. This diminishes their property values and makes for a less appealing place to live. We have all enjoyed the positive impact our well maintained community has had on our own property. Raising assessments now will protect our community and our investment in it moving forward.

Why don't we change the way assessments are calculated?

The LTPOA boards have discussed this several times over the years. However, the way the assessments are calculated is part of our restrictions. These restrictions are much more difficult to change than rules or bylaws. We can alter our bylaws with a simple majority vote. A change to a restriction would need a vote with 100% participation of our property owners and 100% approval. Every owner would have to agree to the change. This was decided by the Missouri Supreme Court Case Lake Tishomingo vs. Cronin. Simply put, this is our system.

What will raising the assessment provide?

-We can keep our roads very well maintained and in good working order. Once we finish the chip and seal at the end of each Lakeshore Drive, we will have to begin making repairs again starting at the 4-way stop. Did you know that over half our yearly budget goes to road repair and maintenance? This is ongoing and necessary every year to keep the roads intact. Without constant maintenance, the roads would fall into disrepair. The worse their condition, the more expensive they are to repair.

-The raise will allow us to keep our roads safe during the winter. This means plowing snow and salting icy roads. We all appreciate how easily we can get out of the subdivision to get to work and school. There are very dedicated people that work long hours to ensure our roads are safe in hazardous winter weather.

-The common areas of our community will be properly maintained. This includes our community property around the clubhouse, other community property around the lake, and along all roads in the development.

-Security. Staffing our entrance with security guards protects our homes and our lake. This includes security on our patrol boat during the busy summer boating season, which makes our lake safe. The increase would allow us to improve our security as well.

-The LTPOA feels bringing back the mailed newsletter would be great for the community. The newsletter was much more likely to be read when it was mailed. This gets people involved and keeps them informed. We've noticed a definite lack in participation and volunteering since the newsletter had to be cut.

-Future improvements can continue. Without a raise in assessments we would have to cut back on necessary maintenance. This would all but eliminate any future special improvements around the lake. Our goal is to keep improving Tishomingo, making it a great place to live and ensuring it's the most desirable lake community around.

Why raise the assessment by \$1.00 per front foot?

-A raise of this amount is slightly above a break even on a yearly basis. The LTPOA board discussed asking for less. However, a smaller amount would still leave us spending more than we take in. We chose the \$1.00 per foot increase to be up front and honest about what it takes to maintain our community. This amount will also give us the ability to slowly build a savings for unexpected maintenance or emergency repairs to the dam.

-Keep in mind, you're assessed on a minimum of 50 feet per lot and a maximum of 100 feet per lot. So on a single 50 foot lot, the assessment would only increase \$50 per year.

Budget information

The LTPOA recognizes that there has been much discussion regarding what some consider to be elective spending. We are not here to argue about what some feel is elective and others find to be important. We understand that costs such as the improvements to the clubhouse are not recurring. However, please be aware that these types of expenses are not causing us to exceed our yearly income. The costs to run and maintain our community are simply more than the assessments we take in. We currently bill approximately \$170,000 and collect around \$160,000 after consistently not receiving payment from 5% of property owners. In our last full fiscal year (August 1, 2017- July 31, 2018) we budgeted for expenses totaling \$216,930 and ended up spending \$207,746. These figures did not include clubhouse improvements or other items some consider to be elective. In the current fiscal year our budget totaled \$243,000. This budget included \$45,000 for a one time land purchase. We expect our typical yearly expenses to be at or slightly above \$200,000. Increasing the assessment by \$1 gives our community an additional \$55,000 annually and would provide us with a small cushion. Please refer to the included budgets for the last three years, and note that our yearly expenses continue to exceed our assessment income.

	2017-2018		2018-2019	category subtotal
	Budget	Actual	Budget	
Admin				27,000
Insurance	14,000	14,016	14,500	
Legal	2,000	116	3,000	
Taxes - Federal Income Tax	2,100	-	2,000	
Taxes - Property	1,000	1,079	1,000	
Utilities (elec, propane)	1,800	1,612	2,500	
Miscellaneous (accounting, lien recording fees)	1,000	517	1,000	
Admin, newsletter, printing, postage	1,500	1,404	3,000	
Donation - TAA		1,000		
Insurance Dividend paid		(36)		
Health & Safety				4,200
Animal Control (termite, goose, ghog, beaver)	1,500	306	1,500	
Water Quality testing (coliform)	1,500	512	1,500	
Rental of portable toilet	1,080	630	1,200	
Property Maintenance				185,000
Roads, repair and ditch excavation	100,000	101,000	50,000	
Lakefront recreation area, Community House patio	25,000	44,095	5,000	
Grass mowing & tree removal (non dam)	13,500	7,375	14,000	
Lakefront recreation area, seawall caps	12,000	6,925	1,000	
Dam maintenance & dam grass cutting	9,000	3,575	9,000	
Snow removal (includes salt)	5,000	1,939	5,000	
Inlet creek (silt removal, boulder replacement)	5,000		1,000	
Vehicle & boat maintenance	2,000	871	2,000	
Building maintenance, stain & paint	1,500	76	1,500	
Fuel for vehicles & boat	1,000		1,000	
Small equipment purchases	500		500	
Curbs, post bumpers		4,029		
Real Estate purchase		2,000	45,000	
Road repair, to be transferred from Special Projects fund			50,000	
Security				26,800
Security Guard Service	12,000	13,452	20,000	
Security utilities (phone & internet for gate)	1,250	941	1,300	
Security Equipment (gate, computer, & video)	1,200	310	5,000	
Security cards & stickers	500	541	500	
Secuite Gate damage fees collected		(250)		
Gate card & Stickers sold		(288)		
Grand Total	216,930	207,746	243,000	243,000
Assessments collected (estimated)		165,000	TBD	
Estimated Deficit		42,746	TBD	

	2016-2017		2017-2018	category subtotal
	Budget	Actual	Budget	
Admin				23,400
Insurance	14,000	12,279	14,000	
Legal	5,000	213	2,000	
Taxes - Federal Income Tax	2,100	-	2,100	
Taxes - Property	1,500	1,245	1,000	
Utilities (elec, propane)	1,500	1,749	1,800	
Miscellaneous (accountant, bad ck returned)	1,000	652	1,000	
Admin, newsletter, printing, postage	500	1,046	1,500	
Health & Safety				4,080
Animal Control (termite, goose, ghog, beaver)	1,500	336	1,500	
Water Quality testing (coliform)	1,500	1,023	1,500	
Rental of portable toilet	1,080	1,080	1,080	
Property Maintenance				174,500
Roads, repair and ditch excavation	50,000	114,945	100,000	
Lakefront recreation area, Community House patio	10,000	-	25,000	
Grass mowing & tree removal (non dam)	10,000	12,005	13,500	
Lakefront recreation area, seawall caps			12,000	
Dam maintenance & dam grass cutting	8,000	8,750	9,000	
Snow removal (includes salt)	5,000	90	5,000	
Inlet creek (silt removal, boulder replacement)	25,000	20,500	5,000	
Vehicle & boat maintenance	2,000	965	2,000	
Building maintenance	1,500	573	1,500	
Fuel for vehicles & boat	1,000	107	1,000	
Small equipment purchases	500	1,200	500	
Security				14,950
Security Guard Service	5,000	9,991	12,000	
Security utilities (phone & internet for gate)	1,250	1,062	1,250	
Security Equipment (gate, computer, & video)	3,500	6,855	1,200	
Security cards & stickers	500	1,111	500	
Grand Total	152,930	197,777	216,930	216,930
Assessments collected (actual)		164,975		
Deficit		32,802		