

Common Misinformation Regarding our CCC Dues
Eugene Tish, Vice President and Director, Charbonneau Country Club

Myth: Dues are going up by \$100 a month.

Facts: No one connected with the Charbonneau Country Club Board or staff has ever advocated for, or even jokingly considered increasing our regular assessments (dues) by \$100 per month.

The genesis of that false claim may have been a misunderstanding of a statement made that the dues could be raised to a maximum level of approximately \$100 per month. Let me be clear. That reference was to a maximum level of approximately \$100 per month, not to raise the dues by \$100 a month. And no one on the board or on staff has suggested doing even that. It was an answer to a question of what the maximum could legally be.

Numerous efforts have been made to correct this misunderstanding or outright misrepresentation, but this misstatement continues to be put forth.

Here is how it works. Going back to the beginning of the Charbonneau Country Club (CCC), the board could raise the dues each year by the increase in the consumer price index (CPI), without a vote of the residents. This is routine for Homeowner's Associations in order to keep their funding on par with inflation. If the board chooses not to raise the dues by that much, or at all, in a given year, the unused increase can be applied by a later board. It is a simple process, but the actual computation is relatively complex.

In 2009, our CPA made the calculation that the dues could be legally increased to a maximum of \$90.12 per month at that time. That was not done.

When the question was asked this year, a simple estimate was made that increases in the CPI over the intervening 10 years would allow an increase to approximately \$100. NO ONE advocated doing that, it was just an approximate answer to a specific question that was posed.

The CCC Board did not have that number formally computed, as no one was advocating going to even \$90. A resident undertook to make the computation on his own, and claims the dues could be raised to \$105. The Board has not spent money to have his computation verified, as it is irrelevant at this point. For 2020 the dues were increased to \$77 per month, up from \$65, or a \$12 a month increase. \$10 of the \$12 was specifically allocated to the Capital Improvement Fund (CIF). Remember, the CIF is separate from the Reserve Fund, and is specifically allocated to new improvements as opposed to repairs and replacements funded by the Reserve Fund. This increases the total monthly amount currently going into the CIF to \$24 per month per residence, which is in the ballpark of what will be needed to fund the long term loan for the new activity center, depending on the plan

eventually selected, and the amount costs have increased in the year this project has already been deferred. For example, \$5,000,000 borrowed at 5% and amortized over 20 years would work out to about \$20 per month per residence. \$6,000,000 borrowed would work out to be about \$24 per month per residence.

It is worth noting that after the \$12 dues increase for 2020, the dues level will still be approximately 25% below the original dues level, properly indexed for inflation. In real dollars, our dues have actually decreased over the years, a situation that may become problematic for our community at some time in the future.

According to our Conditions, Covenants and Restrictions (CC&Rs) Dues increases outside of the cumulative CPI (i.e. to a number higher than the currently estimated \$100 per month dues limit) can only be made with the vote of 51% of the members voting in person or by proxy at a properly noticed meeting held for that purpose. That is a real limit currently in place.

The same is true for Special Assessments, (one time lump sum assessments), for capital improvements. They require a 51% vote as above. But, Article VI of our CC&Rs, in Section 4, the last sentence provides: “This section shall not prohibit the Directors from authorizing capital expenditures for replacements or repairs or improvements from funds generated by regular assessments.” While our Bylaws are currently consistent with this, it is important to note that in the event of an inconsistency, the provisions of the CC&Rs control. Amendment of our CC&Rs requires an **instrument signed by 75%** of those members.

Your CCC Board of Directors continues to commit their best efforts to serving our community as a whole, and to closely following our Bylaws, CC&Rs and advice from out attorney.

I, as well as other board members remain willing to meet with individuals or small groups to listen, learn, and answer questions to the best of our ability.