

FREQUENTLY ASKED QUESTIONS AND ANSWERS

PARKS MASTER PLANS AND PROPOSED MEMBER ASSESSMENT INCREASE

- 1. Why are my FORHA assessments increasing from \$75 to \$150?** During the last five years, FORHA has kept assessments flat with no increase. During that time vendor prices have increased, salaries have increased, we have had more technology improvements, and the scope of maintenance of the trails have increased. As provided in FORHA's By Laws, the purpose of annual assessments is to promote the health, safety, welfare and recreation of the residents and for the improvement and maintenance of the common areas. Several years-ago FORHA was getting complaints from members that they could not find our trails and if they did, they could not access the trails year around due to tall grass and weeds. In response, FORHA started a three-year program to trim trees over the trails for safe passage, erect over 400 directional signs on 150 posts, and increase the frequency of mowing. We completed that program in January of 2018, with the help many volunteers, to help reduce expenses.

Approximately \$35 of the \$75 increase is to "catch up" with the increased operating expenses during the five-year assessment's freeze and to provide for maintenance of the Arbors Preserve, a 75-acre new addition to our trail system (assuming the Board votes to accept it on September 18). The other \$40 is to fund improvements as outlined in the Parks Master Plan. A survey is being sent to all FORHA member household emails on file to give members the opportunity to provide input and influence the Parks Master Plan.

- 2. What are the sources of FORHA revenue?** There are two sources of FORHA revenue. The primary source of revenue is from annual member assessments. The second source of revenue is from real estate services (i.e. transfer fees and resale certificates) provided by the FORHA office. This source of revenue varies with the real estate market.
- 3. How does FORHA fund their operating expenses?** FORHA uses the revenue from member assessments to fund operating costs. This is the only reliable source of FORHA revenue so it is good fiscal discipline to ensure this source of revenue is greater than operating expenses. Currently that is not the case so we need an annual assessment increase of \$35 per household to get our primary revenue greater than our operating expenses.
- 4. How are the FORHA revenues from real estate services (i.e. transfer fees and resale certificates) accounted for in the 2019 Budget and Five-Year Forecast?**

Revenue from real estate services is a variable revenue stream and is completely dependent upon the number of new and existing homes that are sold in Fair Oaks Ranch. If there are no new or existing homes sold, there is no revenue. These revenues are included when determining the amount of revenues available to finance projects. However, good financial prudence requires that these revenues not used to fund operations because they are not reliable. For further detail, refer to the 2019 Budget and to the Five-year Forecast (pages 2 & 3) which can be found of the FORHA Website under Board of Directors' tab in the Financial Section.

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5. **What will the Board be approving and when?** At our regular October Board Meeting, which takes place on our regularly scheduled date of October 2, the Board will vote on a proposed annual member assessment increase of \$75 per household and \$37.50 per lot. If the proposed increase passes, the Board will vote to approve the 2019 Budget. If the Board does not approve the proposed assessment increase and decides on a lessor or no increase, there will be a special meeting scheduled for October 4th in which budget expenditures would be reduced to match revenue resources.
6. **Does the board vote on the 5-year financial forecast?** No. The 5-year financial forecast is developed to inform the Board on FORHA's future financial projections, so they can make informed decisions about the state of FORHA's financial health determine if member assessments are adequate. It forms the basis of our annual budget.
7. **Does the Board vote on the 2019 budget?** Yes. The FORHA Board is required, in our By Laws, to have an annual budget set before the FORHA Annual Meeting, which is held on the second Tuesday in November. (Article VIII, Paragraph 8 D)
8. **How and when will the Board review and approve the budgeted expenditures for 2019?** There is a special meeting scheduled for September 18th. This is a meeting we typically hold during our budget process, which begins in July of every year. The first item on the agenda is the proposed final approval of the FORHA ownership of the Arbors Preserve, which will determine if related expenses are included in the 2019 budget. Then the Board will discuss operating expenses, community programs and proposed new projects. All new expenditures (programs or projects) that exceed \$1,000 require a short, high-level business case. The Board decides which programs and projects are a priority and affordable before it sets the budget. The vote on the 2019 budget will occur either on October 2nd or October 4th, as explained above.
9. **Will there be an opportunity for me to have input on the Parks Master Plans before the Board votes on the member assessment increase?** Yes. FORHA has emailed a survey to each household on file in the FORHA database. FORHA is using a survey tool called "Survey Monkey," so check your spam or junk mail if you do not receive an email with the survey. You will have until September 25th to take the Parks Master Plan Survey. There is only one survey per household and once submitted it cannot be revised. We encourage all FORHA households to participate in this important survey which will influence the Parks Master Plan and the proposed assessment increase.
10. **How can members without a computer or smart phone take the survey?** We realize that not all members have a computer or a smart phone. FORHA is sending out a postcard to members who do not have an email on file advising them about the Parks Master Plan Survey. FORHA is providing them an option to come into the FORHA office during business hours (8:30 a.m. – 4 p.m.) to use a computer and take the survey, after showing their ID. This will be offered until September 25th, when the survey period closes.

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11. **Why is this survey on-line?** This survey is not a simple yes or no vote, so it requires the ability to electronically analyze the results. This is not possible to do with a paper ballot. Online surveys are now more widely used as an invaluable tool to gather the insight needed to make important decisions. FORHA also does not have the manpower required for such a survey as each response would require someone to key in the data to analyze the results. Technology minimizes manual errors, time, and manpower, and preserves the integrity of the data being collected, along with ensuring that only one vote per household is collected. This will allow for real-time results and in-depth analysis on the data that is collected.
12. **What communications were sent to the community seeking their involvement in developing a Parks Master Plan?** Over the last three years, there have been five public meetings to create the vision and execution of the Parks Master Plan. Notices of the meetings were sent to all members who furnished FORHA with email addresses. Notices were also posted on the FORHA website and signs were posted in each park weeks before each meeting. FORHA has also designed a survey to provide members the opportunity to influence the Parks Master Plan. Each year, the community will have the opportunity to voice their views on the upcoming year's proposed park improvement project(s) during budget discussions before it is voted on by the Board.
13. **Is the Board approving the expenditures for the Parks Master Plan?** The Board will not be voting on approving any expenditure for the Parks Master Plan except what is being proposed for 2019. Those expenditures will be discussed at the October 2nd meeting.
14. **What increases in member assessment does the Board anticipate in the future?** Subsequent Boards will decide upon assessments beyond the year 2019. However, our current five-year forecast includes a \$5 annual increase to cover inflationary increases starting in 2020. At that projection, we anticipate the Parks Master Plan would take about 11 years to be implemented (assuming current rate of inflation and member growth). The 5-year plan will be updated to reflect input received from the Parks Master Plan Survey.
15. **Why is FORHA planning to spend over a million dollars during the next five years on the parks, as outlined in the 5-year plan?** The demographics in FOR are changing. When the City of Fair Oaks Ranch conducted a community wide survey, parks and trails was voted one of the top three areas for investment. The Parks Master Plan is the output that started three years ago with a visioning session and concluded in the past several months after much input (5 public meetings), discussion and assistance from a park consultant. The Parks Master Plan will continue to be informed by a survey being fielded between September 12th – 25th. After that survey, the Parks Master Plan will be updated to reflect the members' input.

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16. **What are the benefits of the Parks Master Plan for all FORHA members, regardless of age?** In addition to adding value for the community, and boosting property values, the Parks Master Plan has something for all age groups. We encourage you to visit the FORHA website under Parks & Trails to see the amenities planned such as extended walking paths, pickle ball courts, exercise stations along the paths, a treehouse, and play equipment. In addition, expanded parking, landscaping, and shade is planned for each park. We also encourage all citizens to give us input on the Parks Master Plan Survey.
17. **Will the residents near the parks be adversely affected?** The Parks Master Plan was designed to be as considerate as possible to the nearby residents, including adding additional parking, putting in screening vegetation, and placing popular amenities away from homes. As the amenities are built out, residents near the Park will be asked to be a part of the journey to ensure their voices are heard.
18. **Is FORHA financially obligated to spend the \$4.0 million to build out the parks?** No. FORHA operates on a pay-as-you-go basis. Assuming approval of the Vestal Park Phase 1 plan in the 2019 budget, the FORHA Board still requires another vote on the more detailed business case before funds are released. Each year moving forward, there will be a budget discussion about the park amenities proposed for the upcoming year. It is also worth noting that one-third of the nine-member board is elected each year and future boards are free to change the decisions of prior boards.
19. **Will the park enhancements encourage non-members to use our parks?** Only Members and their guests can use our parks. Unlike a public city park, anyone who is not a member or guest is trespassing on private property and can be asked to leave or can be reported to the city police. With the remote locations of the parks, anyone other than a resident would be challenged to find the parks. Our residents do a really good job of self-policing the parks and are quick to call the city police if someone is vandalizing our properties. In the future, if this continues to be a concern, FORHA will investigate issuing membership cards.
20. **Is there a dog park in the Parks Master Plan?** While we realize that some members have expressed interest in a dog park, it was not included in the Parks Master Plan for liability reasons. FORHA is not a government entity with *limited* liability. FORHA is a private organization with *unlimited* liability. A dog park is viewed as a “high risk” liability and our Board does not believe it is wise to take on that risk. Dogs are welcome in the FORHA parks but they have to be on leashes according to city ordinance. We are striving to make our parks dog-friendly with plans to install pet watering at the base of future fountains and install doggie waste trash receptacles in both parks.
21. **Has the maintenance for the parks amenities been included in the 5-year financial plan?** Yes. As each phase of the Parks Master Plan moves into the 5-year plan window, the associated maintenance budgets will also be included. We are also reflecting the expected water expenses associated with the vegetation proposed in each year.

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22. **What is the estimated annual maintenance expense associated with the restrooms and will they be locked?** The estimated \$20,000 maintenance expense for each restroom is reflected in the five-year plan under additional personnel costs (which could be contractor help). FORHA has budgeted for cleaning each restroom 7 days a week. Each morning, the restroom will need to be cleaned and opened. An additional \$5,000 per year is budgeted for trade repairs and parts (e.g. plumbers). An automatic timer on the doors locks the restroom each evening with an emergency release located near the inside door in the event someone gets locked in. The door locks again after the person exits. This is a common locking system for city parks.
23. **What is the estimated annual maintenance cost for a splash pad?** According to the vendor who sells the splash pad, it is estimated the annual expense will be \$45,000. This estimate includes daily technician services, chemicals, water replenishment, sewer, parts and electricity. This estimate assumes the splash pad is open 8 months a year, every day for a maximum of 10 hours a day. This splash pad model is touch-activated (not motion-activated) so it only runs when someone activates it. The system monitors water quality and will automatically shut down if the quality of water does not meet health specifications required for child water play. Daily pump cleaning by a trained technician is required to minimize unplanned shut downs.