

To All Black Bear Homeowners:

The HOA meeting packet includes the proposed budget for fiscal year 2024. Although dues will increase this year, the increase is significantly less than in previous years. Although operating expenses are still increasing annually and the building requires more maintenance and repairs as it ages, there are areas where the budget decreased, and savings were found.

It is important to recognize that the Black Bear budget has two general parts: 1) an operating budget, and 2) a capital budget.

Regarding the **operating budget**, under the broad category of building and grounds maintenance, we are budgeting an approximately 3.44% increase for fiscal year 2024. The board has been and will continue exploring areas where expenses can be decreased. The major operating expenses that should decrease in 2024 are winter/snow maintenance and roof repairs. The snowmelt system is up and running now. Roof repairs were skipped in 2022 so were greater in 2023. Roof repairs are now scheduled to be completed yearly.

In addition to the increase in operating expenses, Black Bear has faced higher expenditures in the **capital budget** as the building ages. To avoid future assessments, Black Bear must continue to build the capital fund to cover expensive mechanical replacements in future years. The board is planning minimal capital expenditures for 2024, hoping to shift some equipment replacements into the year 2025. At the same time, preventative measures and periodic regular maintenance are being explored and increased to extend the useful life of capital equipment as well as to keep disruption for owners to a minimum.

Although a few smaller capital expenditures were completed in 2023, the major expense was a new snowmelt system.

As in previous years' budgets, there was an operating deficit of \$15,580.85 which must be covered by the HOA. By including that as part of the member dues ("**Due from Members**"), this amount is spread over two payments, January and July. If in future fiscal years there is a surplus, that amount can decrease the dues payments.

This year, the **operating fund contribution** must increase to cover the recent years' increases in operating costs. Like the capital fund for major capital expenses, the operating fund is a rainy-day balance to cover operating costs for a short period of time when the dues are not sufficient.

All homeowners can help keep Black Bear expenses to a minimum by lowering thermostats when a unit is empty, checking for water leaks and drips, and reporting issues around the building or grounds that might impact utility usage or increase "wear and tear" on the building. Please report these issues to the property manager through a work order in the Toad portal ([Toad Property Management \(appfolio.com\)](https://appfolio.com)), so that small issues do not become big problems. If you see a problem that is an emergency, please call Toad immediately (970.349.2773). If everyone keeps an eye on the property, we will be able to keep maintenance costs down, and Black Bear Lodge will continue to be one of the premier condominium properties on the mountain.

The Board looks forward to seeing everyone (via Zoom) at the HOA meeting December.

The Board of Directors