

H.A.R.C. 2026 proposed budget & 2025 TREASURERS REPORT As of Dec 13 2025

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2025 opening account balance of \$43,188 according to QB. This accounts for monies in all road accounts (\$36,790), admin (\$2,254) and emergency fund (\$4,143).

January 3rd 2025 a newsletter was sent out requesting \$80 dues.

From Jan-Oct we received 185 payments from lot owners for 2025 Dues

After our news letter was sent Nov 6th, we have received 143 payments for 2026 dues.

Because many of the lot owners were the same that paid in November as January, Its safe to say we have less than 5% of lots owners currently paying annual fees.

When looking up past records I found:

2023 - 397 lot owners paid (9.9%),

2020 - 430 paid (10.7%)

2018 - 606 paid (15%)

2017 - 431 paid (begin QB in Jan)

According to Meeting minutes from JULY 2013, 622 people paid in first 6 months

No records found in digital format prior to 2011, difficult to find results for other years.

Regardless it seems the overall trend has been less people paying dues every year.

Home owners who qualify for exemption will likely be our most reliable payers however that exemption will not be granted without our fees being mandatory..

Until we formally have authority to collect on a mandatory basis we need to refrain from demanding payments or misleading people to think they are already such. A safer approach which builds trust in HARC is going to be informing people of the process in the most transparent way. Once people realize the facts and their responsibility as lot owner as well as the risk they face without a road association, I believe collecting dues will be paid in increasing numbers with a stronger sense of gratitude from our community.

PROPOSED BUDGET 2026

****Look at subdivision comps handout**

I have compiled a list of our neighboring subdivisions whom have a similar demographic as well as road conditions we aspire to have someday.

In comparison to other road associations, we should expect approx 20% of income to be spent on admin, 10% on insurance, an emergency reserve of \$5k-\$10k and the remainder 50-60% available for road maintenance.

Because the amount of people we have paying fees is currently so low, we may need to expect closer to 50% of income to be spent on admin until mandatory fees positively offset our operating expenses.

Expenses such as mailers, software, taxes ect, we can expect to stay relatively the same regardless of income. So as less money comes in it leaves less money available for road maintenance. This is why HARC has been slowly failing as a business viewing our admin costs as excessive when they are peanuts by comparison ; it's simply due to less people paying every year.

Until we are able to enforce mandatory fees, we must do all we can to gain the community's support while keeping our admin costs low and utilizing all options for cost effective road maintenance in the meantime.

****Pass bookkeeping contract**

Bookkeeping is obviously our largest admin expense. By hiring someone to strictly handle the payment entries as these are the most time consuming and critical entries, I'm confident (and see it necessary) we split the rest of the tasks amongst the board. This will minimize our admin costs greatly while ensuring our income is properly handled. Without proper quotes for insurance, it is difficult to figure that into our budget.. Until we are able to afford insurance we must continue to operate within our legal rights.

As soon as we are able to mandate annual fees, I presume we will chand our calendar year to a fiscal year, and see the amount of people paying steadily increase over the years. The amount we mandate will need to be determined by several factors, however it would be wise to bring ourselves up to par with the neighboring associations fees so we can begin to operate as well as they do currently. FA and FF as prime examples.

Here is what I suspect our monthly budget to look like for the months preceding mandatory fees. This does NOT include legal fees

2026 BUDGET PRIOR TO MANDATORY FEES

INCOME avg monthly	MONTHLY INCOME
Voluntary payments \$88 (Avg 15/month)Jan-July	\$1,320
Transfer fees (Avg 12xmonth)	\$1,500
MONTHLY TOTAL	\$2,820
EXPENSES	
Bookkeeping (*payments only) @\$50/hr est 10hrs/month based on 8 mins/payment (check & paypal)t, 20 min/ transfer and 10-15 each pers month	\$500 (18%)
Licenses, software, rent, taxes, fees ect TOTAL YEARLY \$1200	\$100
Phone \$36, Storage unit \$50	\$86
Mailers x2 @\$3k each	\$500
Signage, Flyers, media needs	\$100
TOTAL	\$1,286 (46%)
Road Maint, whats left of budget	\$1534
Insurance**est \$15-\$20k / year	
Decide emergency fund limit to be held. Suggest \$5k	

MANDATORY FEES GOAL 2026

With the current bills coming into effect that will greatly help our association offset costs for our lot owners as well, it is ABSOLUTELY necessary we accomplish taking the proper procedures through court to obtain mandatory fees, otherwise our lot owners will not qualify for the homeowners expectation and we risk losing the opportunity of sb321 to obtain the land title in 2027. This process should have been started at the beginning of the year, and hopefully with an agreeable board, supportive community and proactive attorney we can accomplish this HUGE milestone for HARC within this coming year. The vitality and most importantly the safety of our community depends on it. We have seen the success of having voluntary dues, and its been a total failure. HARC has only been kept alive by the handful of generous supportive community members, many of whom you see here on the board now and in the past 25 years. To me it seems like this is our last real chance to succeed and become a properly recognized, funded and operational road association. Again for the primary safety concern of our community as the response times for emergency services increase and the devastations that directly result from degrading roadways.

LEGAL COSTS and PROCESS - (separate from HARC operating account)

According to our current attorney retained, here is what we can expect for a **total cost of \$22k-\$30k**. From our \$5k retainer fee paid, he has charged HARC \$1047 for making revisions to our bylaws so far. There seems to be discrepancy in him retiring and the time he says it will take to go through the court process. I'm also concerned about this costs and if we were able to raise the funds within the time period needed. We may need to apply for a grant or loan or seek other legal options.

PROCESS AND COSTS AS STATED BY LAWYER

- A. Drafting amendments to HARC's Bylaws \$3,000 -3,500
- B. Join meeting to discuss with board \$1,500-1,750
- C. Draft Complaint for Declaratory Relief (Judgement)\$15,000-20,000
- D. Record the judgment against all lots. \$2,500-3,000.

OUR ULTIMATE GOAL IN COURT **Show declaratory judgement from Fern Acres.

Regardless of how we proceed with lawyer, we MUST continue to revise our bylaws ourselves ASAP. This will greatly reduce our legal costs and expedite the time needed to do so if we are diligent and agreeable with the amendments. These will NOT come into effect until the judgement is approved, but are the key element we must submit with the judgment as well as to our community for their approval to accept as part of this process. I suggest using Fern Acres By-Laws as our guide as they were recently reformed and have similar history as HA.

****Pass FA by laws (also community association)**

I have spent the last few weeks via email with our attorney discussing the elements of this process to get a very clear scope in laymens terms so I can clearly communicate with the board and answer questions as they arise. I have requested a bill for the email correspondence we have had, and hopefully that will help us decide if he is the right fit for our needs. These emails are of course available for our board members to view at any time. In the meantime I've made calls to other attorneys in hopes to find someone whom is not retiring in case we need a backup plan or someone whom can accomplish the judgement in a more timely fashion.

Proposed timeframes for transitioning to mandatory fees

January- *Prepare ByLaws. Get quotes for bookkeeper, Insurance, newsletters

February- March - Update contacts, collect emails, educate and inform public

April- May- Begin court process, Send newsletter, post bylaws, respond kindly

June - July - fund raise, get people involved, gain support

Aug - Sept - complete court process, prepare newsletter and **1st mandatory bill**

Oct -Dec- Pray , shovel rocks into potholes

The lawyer said in his last email he expected the court process to take a year from filing the declaratory relief, which means we may need to seek alternative options. We MUST accomplish this before 2027, otherwise our efforts will only continue to get more difficult. Failure is not an option, and were all exhausted from the struggle this has already been. The real hard work is about to begin, so lets all do our best to get the community more involved, aware and assisting with these efforts, as its for them too.