



Port Antigua Property Owners' Association
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A Deed Restricted Community

www.portantigua.net

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Dear Port Antigua Friends and Neighbors:

If you have looked at the website or read '*Tigua Tails*, you know that despite efforts by your Board to cut costs and reallocate any surpluses, our 2020 operating budget is in the red. The reasons are increasing fixed costs, higher expenditures for security and set asides for infrastructure replacement. We will be able to cover the 2020 shortage with the small surpluses from the previous two years, but it is absolutely essential we address this issue now to prevent more serious fiscal problems.

The PAPOA Board has spent the last several years working to provide a more transparent and forward-looking budget process. We reestablished the Finance committee that is made up of both Board members and residents. We also formalized a more disciplined approach for insuring that needed funds will be available in the event of man-made (vandalism) or natural (hurricane) disasters. These included the development of an estimated timeline for fixed asset replacement as well as a detailed study of the cost we would incur due to damage from a severe hurricane.

In the simplest of terms, we need to set aside approximately \$14,000.00 a year for fixed asset replacement and \$10,000.00 a year for the emergency fund. These amounts are based on the assumption that all our fixed assets last for their full predicted lives, and, optimistically, that we do not experience a worst-case hurricane for another ten years. Our fixed asset life expectancies run from as little as a few years for the surveillance equipment, to a couple decades for the boat ramp. Obviously, unexpected events can significantly disrupt these projections, but the Board believes this is both a responsible and conservative approach to fiscal stability.

Our goal is to manage the budget responsibly with consistent, predicable and adequate revenue. To do this, in the fall we will ask you to approve a series of moderate dues increases over the next ten years. This will avoid the accumulation of the significant surpluses that would accrue if we immediately raised annual dues by \$200 the first year. The proposal also provides for increases more closely aligned with the expected increases in expenses. Your Board unanimously endorses the enclosed proposal and recommends you approve it when we present it later this year.

Things to note: These projected increases in dues only maintain the services in our community at their present levels, and there is no room to add new infrastructure or additional services. If the expected increases in expenses do not materialize as fast as expected, the Board could either delay the dues increase or accelerate the funding of the replacement and emergency funds. Finally, the Board will not be able to raise annual dues any sooner than the dates in the proposal nor above the final rate of \$700 per annum without another vote by you.

We recognize that any increases in fees and dues are not popular, and only ask you to approve them because we must. Please review the attached and the follow-on documents explaining both the needs of our community and the solutions proposed by your Board. We will present more information, and answer questions at the Annual Meeting on April 18, 2020. Hope to see you there.

Sincerely,
The PAPOA Board of Directors