



Subdivision Newsletter – June 2024

President's Message – Karen Harris

We're getting well into the year, the annual garage sale was a success, and your new Board members are all working together to keep Dunbarton Pines looking its best! We have prepared a workable budget that takes into account our increased operational costs but at the expense of taking on major improvement projects. We talk in this letter about the impact that inflation and unexpected costs have had on our subdivision plans – and the reasons why we have taken the unusual step of raising dues again for next year.

First, we look back over the last five years to provide some context for our dues increase. In that piece we highlight how inflation, over the course of five years, has risen some 23%. An item bought for a \$1.00 in 2019 would cost \$1.23 today. And while our dues increases have kept pace with the rate of inflation, our operational and unplanned costs have not. See Association in Review.

Second, Alan covers our 2024 financial results to date. While we're on plan for the year, the major story is what activities have NOT been included in the plan. See Treasurer's Report.

Third, Scott discusses the improvements which have been postponed for this year but will be in the budget for next year. These include tree replacements and starting on a multi-year improvement plan for the cul-de-sacs and entryways. See Landscaping Plans.

Fourth, Matt discusses our investigation into the state of our storm sewers. The Association has responsibility for storm sewer maintenance as stated in our Covenants and Agreements – and needs to understand to what degree, if any, storm sewer maintenance is required. See Storm Sewer Maintenance.

Finally, we are once again seeking volunteers for next year's Board of Directors. See Volunteers.

The good news is that your current Board is planning to run for reelection, except for me, your President. I have long been involved with the Board in various capacities. It is time to pass the baton. I would like to thank the current Board for their time, efforts, and support during this year. That includes Alan Lach – Treasurer, Matt Guyot – Secretary and Special Projects, Scott Mato – Landscaping and Andy Martin, a volunteer who supports various Board activities, where needed. I would also like to thank our other volunteers who assisted with Association activities, including Rod Harris, who has provided behind-the-scenes support, and Andrea Torres who again assisted with coordinating the Food Trucks along with Karen and Jack Motz who assisted Andrea with getting food truck reminder signs out and picked up.

Association in Review – Board

Over the last several years, your Association has been significantly impacted by two major factors: inflation and unexpected costs. Both have resulted in a significant increase to our annual operating expenses – far exceeding cost reductions we have made in our controllable expenses. This article looks at the impact of inflation and our aging subdivision on our operating costs since 2019.

Let's look at inflation (see Chart 1). If we look back five years, inflation was running at historically low levels, at 2.3% (2019) and 1.4% (2020). That kept our vendor expenses relatively stable. However, in

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2021, inflation jumped to 7% and stayed at that high level through 2022 at 6.5%. For the five-year period from 2019 through 2024, inflation rose 22.6%. For us, the damage has been done. Our cost of services rose as vendors attempted to recover their loss of purchasing power from two plus years of high inflation. As we all know, costs rarely go down. So far in 2024, inflation seems to remain at 2023 levels. Over these same five years, our dues increases have been kept to the rate of inflation, rising 23% (from \$170 to \$210). Unfortunately, the same cannot be said for our expenses.

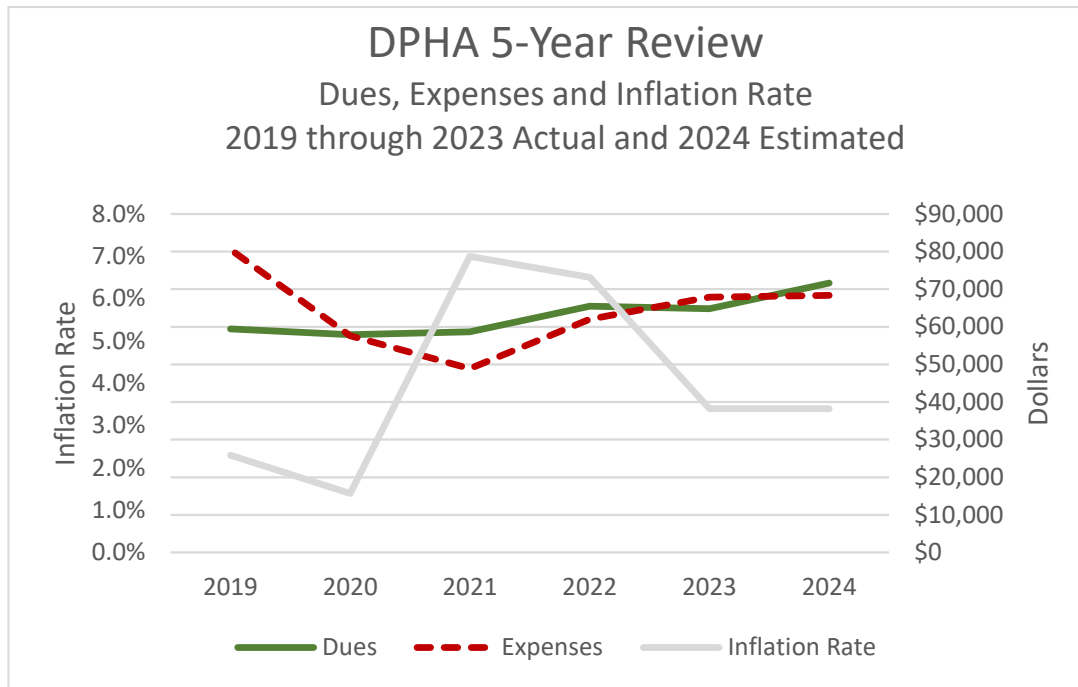


Chart 1: DPHA 5-Year Review: Dues, Expenses and Inflation Rate

Source: US Inflation Calculator – CoinNews Media Group Company (<https://www.usinflationcalculator.com>)

Our aging subdivision has increased our operational costs significantly. A look at those expenses over the last five years tells a revealing story (see Chart 2). That chart breaks down our expenses by category – which include planned maintenance (our contracted services for mowing, entryway, cul-de-sac and commons area maintenance), Improvements and Amenities (where we make significant investments in deep cleaning our commons areas and woods or adding features such as park benches or entryway signage), unplanned expenses (where we incur maintenance costs we can't easily anticipate, such as tree trimming or removal due to storm damage) and other expenses (which are the miscellaneous expenses we incur in the management of our Association). You can see our planned maintenance costs have steadily increased over the last five years, increasing over 29% (from ~\$28,000 to ~\$36,000) – higher than the rate of inflation over the same time period. Those costs will increase even more as we begin to investigate the status of our storm sewers – a responsibility spelled out in our Covenants. The real story, though, is the increase in unplanned costs. Over the last five years, these have increased 185% - from ~\$6,000 to ~\$18,000, primarily due to storm damage.

To offset these increasing operational and unplanned costs, we've reduced our Improvements and Amenities costs some 85% (from ~\$16,000 to \$2,470). To do this we've postponed significant improvements to the subdivision. We've also reduced our Other Expenses by 43% (from ~\$20,000 to ~\$11,000) by proactively switching our software and banking facilities. While we feel good about these efforts to lower controllable costs - the sad reality is that we can only hold off making major

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improvements for so long. At some point in the not-too-distant future, the subdivision would begin to reflect the lack of investment. Moreover, playing catchup on improvements down the road will only result in higher costs later.

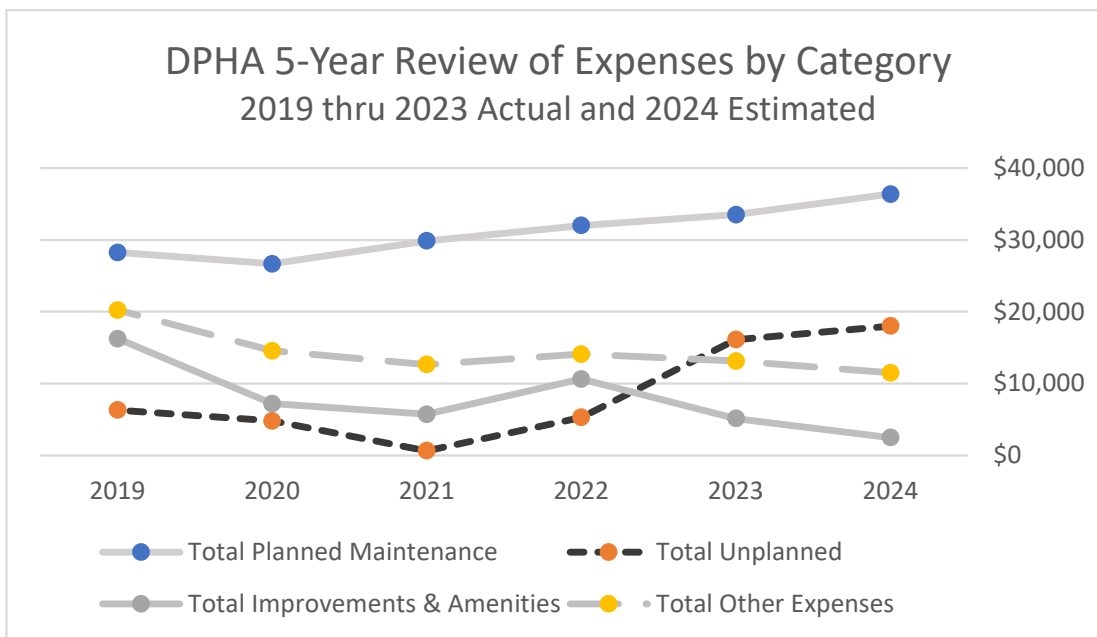


Chart 2: DPHA 5-Year Review of Expenses by Category

Financial Report – Alan Lach

It was a bit of a challenge for the Board to develop and approve an appropriate budget for 2024. We did budget for work to investigate the storm sewer system and made provision for cleanup costs in the event we have storm damage like we had in 2023. We reduced some maintenance for this year as in the amount of weeding and shrubbery trimming – estimated at \$4,500. Relative to prior years, we made no provision for multi-year improvements. For example, the last time we did a multi-year refresh of our cul-de-sacs was five years ago. That three-year effort, ending in 2019, cost ~\$23,000 (and that was in 2019 dollars). The last time we did deep cleaning of the commons area woods and surrounding area was three years ago. That four-year project, ending in 2021, cost a total of ~\$20,000. Our dues increase for 2025 will provide for reinstating annual improvements to the subdivision. Being able to plan for and execute such multi-year improvements for the subdivision is critical to maintaining the value of homes in our subdivision.

On the positive side, our budget reflects several perpetual cost-cutting measures implemented in 2023 and early 2024. These include savings on snow removal, water costs, and conversion to PayHOA as our HOA management tool. We have since further reduced our costs by changing our banking to Alliance Association Bank. Their partnership with PayHOA provides additional annual fee savings of ~\$800 from the elimination of lock box fees and reduction in monthly service costs. So far, we're on track with our budget for 2024.

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Budget vs. Actual
January 01, 2024 - May 31, 2024

Category		Budget	Actual	Variance
Income	Annual Dues-Current Year	\$71,610.00	\$71,610.00	\$0.00
	Annual Dues-Next Year	\$93,775.00	\$275.00	\$93,500.00
	Interest Income	\$30.00	\$15.49	\$14.51
		\$165,415.00	\$71,900.49	\$93,514.51
Expenses	Planned Maintenance	\$ 43,368.00	\$9,446.81	\$33,921.19
	Unplanned Maintenance	\$ 11,000.00	\$810.00	\$10,190.00
	Improvements & Amenities	\$ 2,470.00	\$2,470.00	\$0.00
	Software, Subscriptions, & .	\$ 5,021.00	\$1,362.28	\$3,658.72
	Legal & Insurance	\$ 3,270.00	\$0.00	\$3,270.00
	Utilities	\$ 3,210.00	\$665.40	\$2,544.60
		\$68,339.00	\$14,754.49	\$53,584.51

Dues Increase to \$275 – Board

As we discussed in our last newsletter, the increased dues of \$210 for 2024 barely covered our planned maintenance costs and the need to investigate the serviceability of our storm sewer system. Meanwhile, our unplanned costs skyrocketed over the last two years. We’ve compensated for these costs by reducing our subdivision improvements significantly. When we look to 2025 and beyond, we still see escalating costs from our vendors. This will put pressure on our efforts to perform storm sewer work and invest in our aging and dated subdivision. Your Board of Directors has taken on the challenge to ensure that the Association lives up to its obligations with respect to storm sewer maintenance while concurrently maintaining and improving the value of living in Dunbarton Pines. To do so will require additional funds from each homeowner in the form of a \$65 per year dues increase.

Establishing an appropriate dues increase was based on the material covered in this newsletter along with a multi-year cost analysis to evaluate the impact of annually increasing vendor costs, storm sewer maintenance, and needed improvements against the cost savings that have been put in place over the last two years. That analysis showed that the Association would not have adequate funds to sustain our obligations nor make the necessary improvements to ensure the subdivision remains highly attractive to real estate buyers. Those buyers and the existing homeowners are looking for a home in a safe and mature subdivision that continues to better itself and not become outdated to the point that home values begin to fall. Maintaining an attractive subdivision with appreciating home values is a key consideration for the Board. As such, an increase to annual dues was approved by the Board of Directors at our last meeting. Our annual dues will now be \$275, effective with the next dues billing cycle.

One final note: if you haven’t already, you can participate in our ongoing cost-savings effort by providing us with your email address. By doing so we can cut expenses by sending more HOA communications via email. Postage for one mailing to all homeowners costs ~\$250.

Landscaping Plans – Scott

Spring is here which means we are well into the busiest time of landscaping maintenance of the subdivision common areas, entryways, and cul-de-sacs. This past winter, we still incurred several large expenses for winter storm damage to trees on commons property. Fortunately, the winter damage was not as extensive as last year. Thank you to all homeowners that notified us of storm

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damage. It helps us to get contractors scheduled quickly to assess the damage and make the area safe.

Over the next year, we will be seeking a landscape design plan for the four entryways and eleven cul-de-sacs, to assist in the replacement of trees, shrubs, and other plantings as many of the current plantings are coming to the end of their lifecycles. Pictures have been taken of the cul-de-sacs to help monitor the health of the trees and get a better idea of when they may need to be removed. Several trees have been taken down from a couple of the cul-de-sacs and have not been replaced as the funds are not available. We would like to have a landscaping design plan in place so as funds become available, we can get the appropriate replacement plants and have them installed.

We are aggressively pushing the City to have their contractor complete the repair work at the entrances on Taft Rd. Additional landscaping will be required at White Pines. This repair work also affects Royal Crown and Addington Park.

Storm Sewer Maintenance – Matt

The storm sewer system that weaves throughout our subdivision is the responsibility of the Association to maintain. While the City of Novi maintains the detention pond areas and the drains in the streets, the remaining several miles of underground piping and collection points remain ours to care for. As you may imagine, the system has the potential of being inundated by tree roots that penetrate the piping as well as mineral or sludge buildup that can clog the flow of storm water through the pipes. To avoid any potential for backups in the storm system, the Board has agreed to begin an investigation of the system with the intent to implement a planned maintenance cycle that is affordable and will address issues that may occur with an aging storm system. The water pipes that come from your home, through your yard, and feed into the storm sewer system, such as from your sump pump, are the responsibility of each homeowner. Accordingly, they will not be a part of the subdivision inspection of the storm sewer system.

Last year, the Board issued a scope of work to several reputable contractors to perform the work. The contractor has divided the storm sewer system within Dunbarton Pines into specific areas to be inspected over the next several years. The area to be inspected this year will take place sometime in June or July, weather permitting. Any major issues found at that time will be addressed, assuming they are not cost prohibitive. Other minor issues may be scheduled for a future time, as funds allow. After completing the inspection of all the areas over the next several years, the same or similar effort will continue as recommended by the contractor. The advantage to this approach is that follow-on efforts should be less time consuming and costly, as maintaining the system on a regularly scheduled basis will mean less tree roots, mineral and sludge buildup to clear and less time needed to do so.

Homeowners will be advised ahead of time when work will be performed near your homes. Large vehicles, equipment, and personnel will require access to collection points that are in the storm sewer easements in both the front and backyards. You may have manholes and/or grates in these areas that allow access to the storm sewer pipes and sludge pits. Every effort will be made to minimize the impact to daily life. Our contractor has committed to maintaining a safe and damage free work environment, especially with respect to residents and their property.

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Call for Volunteers – Board

The Board of Directors seeks individuals willing to commit some volunteer time to assist in managing the affairs of the Association. This can be an elected position or participation to help with Board-related activities. If interested, please send an email with a short biography to: dunbartonpines@outlook.com

Trash

We are receiving many complaints from residents about trash bins being left outside during the week on driveways, porches, and the side of homes. There also are concerns about trash, such as boxes, crates, filled plastic bags, and other debris left outside and around homes being unsightly. Please help your subdivision maintain its visual appeal by keeping your trash bins behind the house, in the garage or if on the side of the house, behind a visual block (fence, shrubs). We want to attract new residents to a subdivision that looks clean and inviting. We understand that Priority has purchased GFL and will be the new provider of trash pickup in Novi beginning July 1.

Food Truck – Wednesdays, 4:30 pm – 7:30 pm, at Foxton and Dunbarton Dr.

The food truck schedule can be found on our home website page: www.dunbartonpines.org

Andrea Torres, food truck coordinator, is hoping to find a few volunteers to help with placing the food truck notice signs at the entrances of the sub on Tuesday and removing the signs Wednesday night or Thursday morning. Contact Andrea at andreatorres1030@gmail.com

Annual HOA Meeting

The Dunbarton Pines HOA Annual Meeting is scheduled for Sunday, September 15, 2024, 7 PM, at the Novi Civic Center. This will not be a Zoom webinar.

Homeowner Portal, Website and Email

Homeowners can access their portal account via this link: <https://app.payhoa.com/>

If you have not set up your account, go to: <https://app.payhoa.com/auth/join/24563-dunbarton-pines-homeowners-association> or send an email requesting the link to setup your account to: dunbartonpines@outlook.com

For more information about Dunbarton Pines subdivision, visit our website: www.dunbartonpines.org

To contact board members, send an email to: dunbartonpines@outlook.com or a letter via USPS to DPHA, PO Box 470, Novi, MI, 48376.

Why am I Receiving This Letter?

This letter has been sent by USPS in compliance with our Association Covenants and ByLaws which require formal notification via 1st class mail of our Annual Meeting and Annual Dues requirements. There is no provision for making formal notifications via email.