



12/18/24

Dear Harbor East Property Owner,

As we approach the start of 2025, we would like to remind you of the announcement made in August about the upcoming dues increase. Effective **January 2025**, there will be a **20% increase** in the POA dues. This increase will be reflected on your January monthly statement.

We recognize that this is a significant adjustment, and we want to assure you that this decision was not made lightly. Our dues have not increased since **2008**, despite the rising costs of goods, services, and essential infrastructure. You may not realize it, but it takes \$1.47 in 2024 to equal the purchasing power of \$1 in 2008. Because our dues have not kept up with market conditions, we have fallen behind. This dues increase will help narrow the gap in addressing the growing financial demands associated with maintaining and improving our community.

One of the many factors driving this adjustment is the sharp rise in insurance costs we have experienced over recent years. Unfortunately, it does not appear that the market will be improving anytime soon. It is our intention to allocate \$50,000 from the funds generated by the 20% dues increase to further offset this expense; however, this allocation is **not** anticipated to cover the entire insurance expense. Thus, there will still be a separate insurance assessment for the excess cost in 2025. This ensures that we can continue to provide the necessary coverage and security for our community. We are hopeful that we can continue to reduce the assessment amount over time, but the assessment is driven by the cost of insurance itself, over which we have little control.

Insurance Assessment:

2023	\$158,000
2024	\$111,000
2025	\$ 75,000*

* Projected amount dependent on the final premium cost.

In addition to partly covering rising insurance costs, the increase in dues will also support important community projects, including upgrades to the Phase I pool planned for 2025 and continued efforts on painting and decking throughout our community. These projects are critical to upholding the quality and safety of our amenities.

While we understand that no one welcomes an increase in dues, it is important to recognize that additional increases may become necessary in future years if the dues collected do not fully cover the ongoing cost of our essential improvements and services. We must provide adequate funding for our expenses throughout the year while also building a reserve for less frequent, larger cost projects such as road resurfacing and roofing. We are committed to being transparent with you as we plan for the future.

(870) 867-3838 • Fax (870) 867-6278
email: harboreastpoa@windstream.net
21 Vista Drive • Mount Ida, Arkansas 71957

and will continue to evaluate our financial position annually. For any questions, please contact the POA office at harboreastpoa@windstream.net.

Thank you for your understanding and continued support. We appreciate your investment in this community and look forward to a productive year ahead.

Sincerely,

Terri Robinson

President, Harbor East Property Owners Association