



To the SYRC Membership,

Just when we ALL thought our finances would be in order for 2022, our community property was caught off guard by the current economic situation we have all been facing in our personal lives as well. I am writing to inform you of our financial situation heading into 2023.

Several factors have severely impacted the Rec Center's operating expenses, including:

- Substantial increases in insurance premiums related to the recent wildfires in the surrounding area. Our "wildfire risk score" has elevated to the point where our long time insurance carrier would not renew our policy in 2022. General insurance premiums have risen from about \$12,000/year to \$39,000/year as of June of 2022.
- A dramatic spike in inflation across virtually all of our supplies and equipment, from the cost of chlorine required to maintain our pools to the materials needed to keep the facility clean.
- The cost of our utilities (water, gas, electric) has steadily increased over the past several years, even before the Pandemic and current inflationary period began.
- After not raising prices for years, many of our vendors and personnel have recently increased their service charges.

Additionally, our most recent 2022 Reserve Study has recommended substantial increases in our annual reserve account contributions in order to address the escalating costs of reserve components (pool equipment, irrigation systems, asphalt repair, etc.).

Together, these substantial changes in costs and expenses are requiring us to take large steps to balance our 2023 budget. In our quest to avoid a special assessment (which the SYRC has not had in over 12 years), **we will be increasing monthly dues 15% to \$149.00/unit** (up \$20/per unit per month from current) effective January 1st, 2023.

Without this increase in dues, we are at risk of jeopardizing how we operate, maintain and enjoy our valuable community facility.

If you have any further questions about the dues or the SYRC finances, please reach out to Nick Hofmann (nickhofmann@lbpm.com) and/or attend our monthly board meetings (<https://syrccpalisades.org/board-meetings/>).

Sincerely,

Azita Baffa
President- SYRC Board of Directors