MEMORANDUM

TO: All WELCA Members

FROM: Michelle Graf, Treasurer & WELCA Board

DATE: October 23, 2026

SUBJECT: Overview of Proposed 2027 Operating Budget & Q1 2027 Special Assessment

Executive Summary

The Board has finalized the **Proposed 2027 Operating Budget**, designed to maintain operations at a **break-even target with $577,438** in total projected revenue.

WELCA owners will see significant savings in Insurance, Trash Disposal, Pool Maintenance Costs and more thanks to board and committee initiatives that will save $10's of thousands of dollars annually.

The complexity of running a large and aging resort property requires professional property management, a task handled by board members through Q3 this year. Going forward, the board has contracted Hiller Vacation Homes as our Property Manager beginning in Q4 of 2026. The cost of Property Management is the top driver of our need for a monthly dues increase in 2027.

Association Dues will increase by 12% for FY 2027, bringing total dues revenue to **$551,000.** Below is a monthly breakdown by unit size, including historical reference. Despite the 12% increase, dues remain 20% below the original proposed BD for 2026, which the association rejected.

	2025	2026 original BD	2026 Actual BD	2027	Change
1br	$371.00	$669.90	$475.70	$533.0	12%
2br	$412.88	$744.98	$529.01	$593.0	12%
3br	$457.67	$820.05	$582.32	$652.0	12%
Unit 301	$599.68	$1,075.00	$582.00	$652.0	12%

Additionally, critical infrastructure projects and capital improvements will be funded separately through a **Special Assessment planned for Q1 2027**, more details to come on that topic in the next few months. At this time, the special assessment value estimated to be approximately $359,000.

New Line Item It has come to the board's attention that managing ongoing operations to a $0 balance each year has had a negative impact on how the financial health of the Association appears to lenders. For anyone who hopes to one day sell their condo, we are pleased to announce that we will begin holding an ordinary reserve equal to 15% of our

annual dues. This level of reserve will allow buyers using Fannie Mae or Freddie Mac loans to be eligible to purchase a condo at Wild Eagle Lodge. The 15% reserve requirement applies to underwriting guidelines that dictate whether a condominium building is considered "**warrantable**" (eligible for conventional financing).

We have already funded $72,000 of the $82,000 target thanks to an unbudgeted insurance refund earned in 2026 that was associated with successfully completing WELCA's portion of the maintenance building reconstruction, a depreciation loss refund. The balance will be funded in the 2027 special assessment.

2027 Operating Budget Breakdown

Key Revenue Adjustments (+$75.629 vs. 2026 Estimated Actuals)

- **Association Dues:** Dues revenue increases by **12%, or +$59,000**
- **Resort & Space Rentals:** A return to the collection Resort Fees charged to renters **will generate $15,890** over actual 2026 collections**.**

Expense Highlights (+$61,487 net increase vs. '26 budget)

- **Property Management & Professional Services:** Management expenses normalize to **$293,000** (+$114,412 over 2026 individually contracted services). Additional professional service costs: CPA/audit and legal services account for **$14,000. Bookkeeping and Tax Service are $29,000**. **Legal fees: $12,900**
- **Technology & Utilities:** Managed fiber internet upgrade increases internet expenses to **$14,665**, While total electric/gas utility expenses are **$39,390,** with $0 contributed by the owner of the main lobby portion of the office/pool building, historically split 25%-75%(welca)
- **Insurance Savings:** Property and liability insurance premiums, which saw partial savings in 2026, will again decrease by **$21,946** (down to **$72,752**), providing significant cost relief.
- **Grounds & Maintenance Realignment:** Grounds maintenance drops to **$12,000 for new landscaping** as most of this service will now be covered under the Hiller Property Management Agreement.

Upcoming Q1 2027 Special Assessment

Operating dues fund day-to-day maintenance and recurring obligations. To address long-overdue infrastructure upgrades without straining daily operational reserves, the Board will initiate a **Special Assessment in Q1 2027 with an estimated total value of $359,000.**

Projects expected to be included in the Assessment:

1. **Spectrum Fiber Installation: $118,836** *(Upgrades community-wide high-speed internet infrastructure)*
2. **Path/Parking Lot and Pier Lighting Replacement/Additions: $75,380** *(Replaces outdated lighting for safety and aesthetics)*
3. **Capital Renovation & Infrastructure Projects (Costs TBD):**
    - WELCA/Bathrooms/Office/Hall remodeling
    - Septic system updates for larger buildings
    - Boat launch rebuilding

Specific assessment billing schedules and per-unit breakdowns will be communicated to all owners by Q1 2027.

4. Next Steps & Member Feedback

Owners are invited to review the full line-item budget prior to the formal vote at the upcoming Annual Meeting. Questions regarding the budget or assessment may be submitted in writing to the treasurer at Wildeaglelodge1@gmail.com and/or the Board at wildeagleboard@gmail.com