

February 13, 2021

To: Deerfield Village Members/Homeowners

From: DVCA Fence Committee

RE: Memorandum Titled “ATTENTION: IMPORTANT INFORMATION ON THE PERIMETER FENCE”
(as signed by “Your Deerfield Neighbors” and recently mailed to many Deerfield residences)

Please know that the “Memorandum” you previously received was not sanctioned by the Deerfield Village Community Association, Inc. (“DVCA”) or its Board of Directors (“Board”).

and now for the rest of the story.....

The following response is structured with the same number order as in the “**Memorandum:**”

1. The estimated \$85/year annual fence cost was initially projected based on very preliminary anticipated capital and financing costs. As part of preparing the final project proposal for approval, detailed project construction and financing costs have been obtained and are summarized below:

Cost	\$1,010,000.00
Down Payment	\$225,000.00
<u>Additional Down payment</u>	<u>\$75-100,000.00</u> (plus or minus, depending on MUD contribution)
<u>Amount to Finance</u>	<u>\$710,000.00</u>

Given a 15-year loan, at 4.00% APR the payments are \$5,250/month, or \$63,000/year or \$60.00/year/household (1058 households). Additional costs for insurance and damage repair are estimated to be about \$10/year/household, so the total is \$70/year/household. The \$15/year/household difference results from the decrease in construction and finance costs versus original estimates primarily due to temporarily depressed economic conditions caused by COVID. This difference would provide a cushion to provide for other contingencies initially and could be reduced or removed after 3-5 years if it is not needed.

Just like the loan on your house, car or any other loan, the Fence loan will **NOT increase** by CPI (Consumer Price Index) each year, and therefore will not cause an increase in the loan payment or homeowner assessment fees annually.

2. The \$85.00 is a one-time Special Assessment that is simply to allow for the fence work to start this year. Considering the COVID concerns and all its implications, the Fence project was unexpectedly, and uncompromisingly delayed last year. As noted in the February 2021 newsletter, the same \$85 (as the special assessment) will be included in the annual assessment for 2022, and for each year thereafter unless changed by the Board, until the fence is paid for. Please note: It appears portions of the fence can NOT wait another year.
3. The loan is for 15 years. The Board, 15 years from now, can decide if the DVCA wants to continue the \$85 assessment (i.e., continue allocating an \$85.00 portion of the annual

assessment for the fence) after the fence is paid off. The Trex fence is warranted for 25 years & is expected to last 30 years, maybe longer. Let's say after the fence is paid for in 15 years, the board decides to continue the \$85 assessment AND the fence lasts 25 years. The community will then have an additional \$85/year for 10 years, years 16 thru 25, as a SIZABLE down payment to help pay for the next generation fence.

4. The Fence project will not prevent the Finance Committee and the Board from being responsible when dealing with all current and future issues and expenses simultaneously. The Board has already identified a couple of ways to reduce expenses, which, even with the fence costs, should leave room for other budgetary issues.
5. The Board has been fully transparent. The Ballot letter is NOT the only form of communication employed by the Board. The Board has held open forums and discussions and has posted progress materials on the website. Please visit the DVCA website for more information & feel free to email questions and comments. Please note the most recent forum was the January 27th Townhall Meeting.
6. The Fence Committee's ("FC") original proposed scope of work was focused on solving the problem with the existing perimeter wood fence. The brick and iron fence around the patio homes was considered one of the most attractive parts of the neighborhood, was/is in good condition and was not considered part of the project. However, several Homeowners spoke out regarding this and the Board listened. Consequently, stating a Phase II study of the brick fence along Clay would be forthcoming, but could not comment on the timing of a final plan to address the concerns.
7. The \$85 per residence (to be paid from annual assessments) includes a maintenance allowance, suggested by the manufacturer and local contractors, and as discussed with other communities that have had a similar fence in place for a number of years PLUS insurance and a contingency. Reminder, the base cost for the loan is \$60.00. Therefore, there is \$25.00 allowance for other known costs (\$10.00) and contingencies (\$15.00). Please also see above #4.
8. The concern raised about the vitality of DVCA financial future is not accurate. In addition to the \$700,000 the DVCA receives yearly for the operating budget, the DVCA has about 1.1 million in reserves. Pulling \$225K from reserves to reduce both the interest and years to payback is significant and a better payback than making interest on CD's or other low risk investments. The DVCA wants to put that money to good use for the benefit of the community.
9. During the past two years of exhaustive study and project development, many alternatives and issues have been identified and explored thoroughly, diligently, responsibly, and deliberately. While there may always be unanticipated or changing factors, the fundamental project is believed to be technically and financially sound and is believed to BENEFIT ALL DEERFIELD VILLAGE HOMEOWNERS, NOW AND IN THE FUTURE.

Finally, regardless of how you vote, please be sure to vote.

Sincerely,
Your Fence Committee