

**PINON RANCH HOA  
2019 ANNUAL MEETING**

**NOVEMBER 19, 2019**



# AGENDA

- **Call to Order**
- **Approval of the Last Annual Meeting's Minutes**
- **Introduction of the Board of Directors**
- **President's Report**
- **HOA Trash Petition, sign up, questions and answer**
- **Voting**
  - **Election of the Board of Directors**
- **Treasurer's Report**
- **Member Questions and Comments**
- **Adjourn**

# CALL TO ORDER AND APPROVE MINUTES

- Quorum = Minimum 10% of members  $\geq$  6 members
- 2018 Annual Meeting Minutes
- [www.pinonhoa.org](http://www.pinonhoa.org). → Documents → Meeting Minutes

# INTRODUCTION OF BOARD OF DIRECTORS



**Amanda Brush**

President  
5540 Flag



**Bradley Gildin**

Secretary  
5520 Sample



**Shane Smith**

Treasurer  
5465 Sample



**Shawna Uehling**

Member at Large  
5575 Sample



**Steve Schleiker**

Member at Large  
5540 Flag



# GOALS FOR 2018

- **Transparency**
- **Financial responsibility**
- **Accountability**
- **Personal communication**
- **Community engagement**
- **Consistency**

# ACCOMPLISHMENTS THIS YEAR

- Community Block Party – 80 people
- Cinco de Mayo Party – 70 people
- Oktoberfest Party – 40 people
- Holiday Lights Competition – 40 people
- Established volunteer social fund - \$439; 24% made contribution
- Disconnected utilities in winter
- Member provided snow removal of common sidewalk
- 11 architectural reviews
- **XX** in-person violation discussions
- Created architectural submission form
- Transitioned to electronic communication - 98% of members
- Launched new website
- Added \$2,657 to reserve fund
- Professional sandwich boards for announcements

# COMMUNITY



PINON RANCH HOA PRESENTS

Oktoberfest

FAMILY

20 OCTOBER 2018

BRING AN APPETIZER, SALAD, OR DESERT

5465 SAMPLE WAY

PINO



# ARCHITECTURAL APPROVALS

- 5580 Sample- Shingle replacement
- 5470 Sample- House repaint
- 5580 Sample- Add front fence and shed
- 5540 Sample- Add stamped concrete walkway and driveway extension
  
- 5485 Flag- Remove front flower bed, replace with grass
- 5435 Flag- Shingle replacement
- 5470 Flag- House repaint
- 5575 Flag- Add bushes in backyard next to HOA fence
- 5550 Flag- Remove cottonwood trees in front yard
- 5510 Flag- House repaint
- 5460 Flag- Shed approval

# COMMUNITY TRASH SERVICE - PROBLEM

- Currently there are four different trash companies that service our neighborhood on four different days
- Most companies use different trucks to pickup trash and recycling
- Regular heavy truck traffic causes wear to our roads, noise, and increases safety risk
- Trash cans on curb four days a week is unattractive and increases the likelihood of litter
- We can significantly reduce these by having the HOA contract trash service





# COMMUNITY TRASH SERVICE - SOLUTION

- **Trash cost = \$180/year/house (\$15/month)**
  - Cost is cheaper than what most members are paying today based on trash survey collected earlier this year
- **Recycling cost = \$72/year/house (\$6/month)**
- **Negotiated rates require 100% member participation for trash service (recycling is optional per house)**



# COMMUNITY TRASH SERVICE - DETAILS

- **Vote today to move forward with Community Trash Service**
  - Requires 67% (>=37) of members to approve
  
- **Target start date April 1, 2019**
- **To be paid annually by members to the HOA**
  - \$7.50 convenience fee for semi-annual payments
  - Check payment (investigating electronic payment methods)
- **The HOA will contract with the trash company**
  - **Trash (and recycling) fee will be added to HOA dues**
    - Covenants will need to be revised to include this service
    - Includes late fees and non-payment actions
    - Member rate is 10% above contract rate to account for late/non-payment risk
- **Service provider Bestway Disposal**
  - Tuesday pickup
  - Will look for trash can if not at curb

# GOALS FOR 2019

- Investigate xeriscaping a portion of common sidewalk area
- New website
  - Lower operating cost and better suited to our needs
- Community Trash Service
  - Covenants revision
- Common area fence repairs



# ELECTION OF BOARD OF DIRECTORS



**Amanda Brush**

5465 Sample



**Bradley Gildin**

5520 Sample



**Shane Smith**

5465 Flag



**Shawna Uehling**

5575 Sample



**Write-In**

Sample or Flag



**Nomination**

Sample or Flag



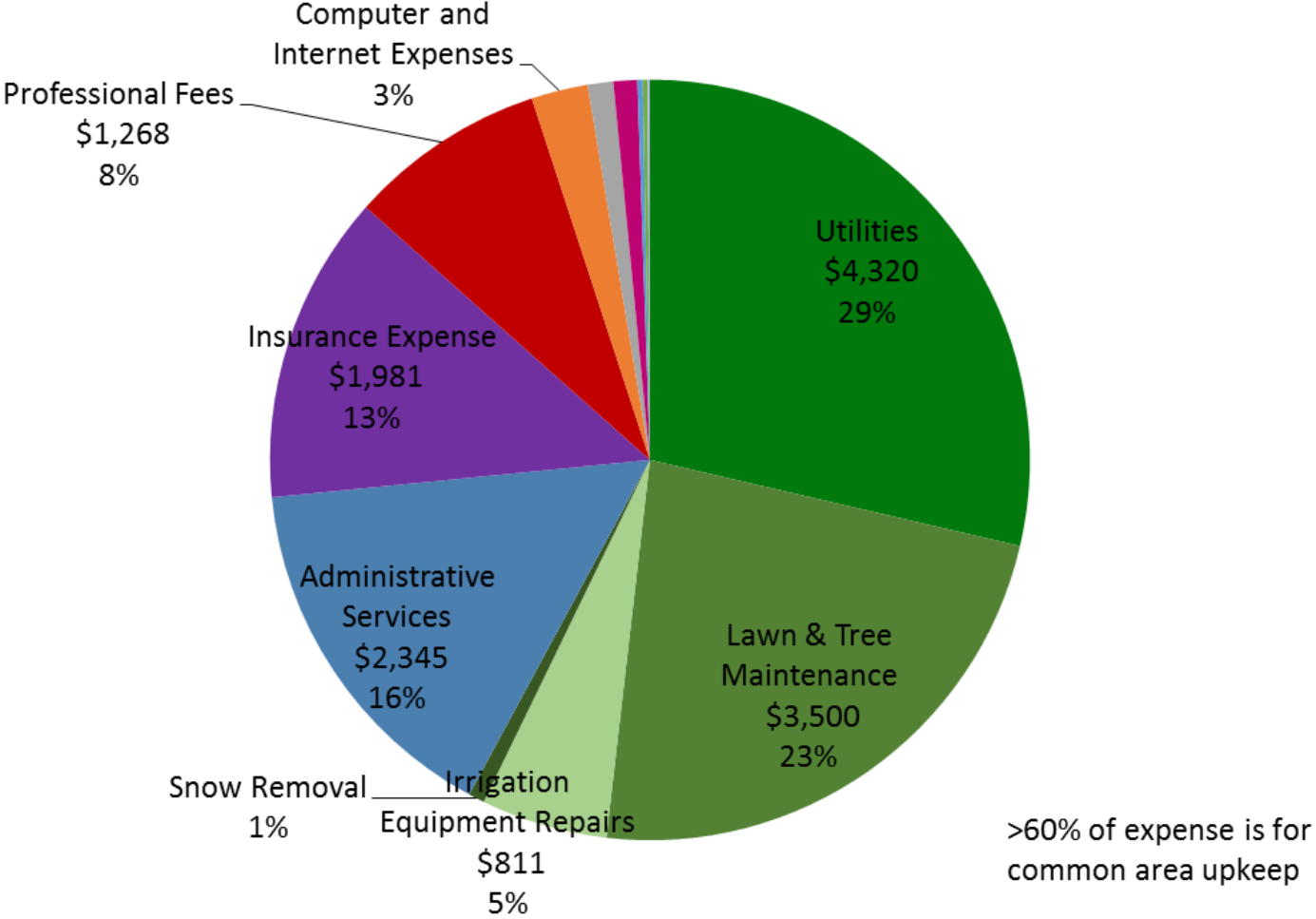
**You**

Sample or Flag

Each property gets one full vote that can be divided fractionally among individual owners if you so choose. Unless stated otherwise, the vote will be divided equality across those individuals that cast a vote.

# TREASURE'S REPORT

## 2018 YTD Expenses



# REPLACEMENT RESERVES

## ■ Purpose

- To pay for long term repairs and replacement of capital improvements, in our case items like the fence, sidewalk, major irrigation equipment and systems and landscaping
- Our Covenants, Section 1.8.C requires that we establish a reasonable reserve fund for the repair and replacement of Common Elements
- Our covenants do not allow for a special assessments, which many HOA's rely on to pay for major repairs or replacements

## ■ Current State

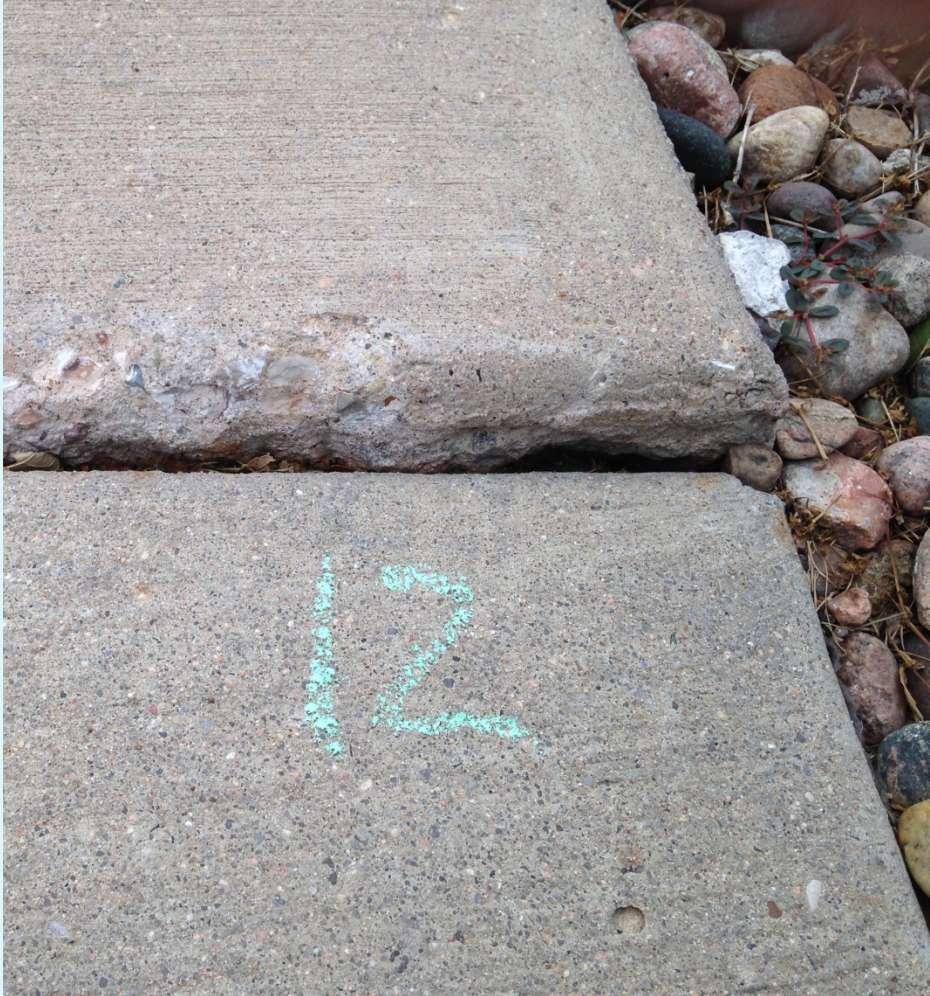
- \$4,200

# REPLACEMENT RESERVES





# REPLACEMENT RESERVES



# REPLACEMENT RESERVES

## ■ Fund the following projects in the next three years

- Fence repair (2019) - \$4,000
- Sidewalk repairs (2021) - \$2,700
- Xeriscaping partial common area (2020) - \$5,000
- Irrigation system repairs (Unknown) – \$2,000

## ■ Plan

- 2019 budget - \$1,775 addition to reserve fund (\$32/year/house)
  - Should be \$4,100/year (\$75/year/house) to fund expected capital expenses in the next three years
  - Very limited opportunities to make major improvements or changes to our expenses without up front cash
- Continue to increase reserve fund contribution year-over-year 50-100%
  - 2020 proposed reserve contribution \$3,100 (75% increase from 2019)

		2018 Budget	Estimated 1/1/18 to 12/31/18	2019 Proposed Budget	Notes
<b>REVENUE</b>					(\$350 per lot)
	<b>HOA Assessments</b>	\$18,480	\$18,480	\$19,250	member assessments with insurance (55 x\$350 = \$19,250) *
	<b>Less: Replacement Reserves</b>	-\$1,224	-\$1,224	-\$1,775	Transfer to Replacement Reserves account
	<b>Arch./ Landscape / Color review fe</b>	\$0	\$0	\$0	
	<b>Title Co &amp; Admin Fees</b>	\$300	\$450	\$300	based on 2 home sales (Note \$150 transfer fee needed to help fund replacement)
	<b>Working Capital contributions</b>	\$150	\$225	\$150	based on 2 home sales (Note: Goes for working capital i.e. operational reserve)
	<b>Fine income</b>	\$0	\$0	\$0	
	<b>Late fee - HOA dues</b>	\$0	\$220	\$0	
<b>Total Revenue</b>		\$17,706	\$18,151	\$17,925	
<b>EXPENSES</b>					
	<b>Administrative Services</b>	\$2,300	\$2,345	\$2,300	same as last year
	<b>Business Permits and education</b>	\$200	\$45	\$200	Required State registatation fees (DORA & SOS) plus optional CONO membership
	<b>Computer and Internet Expenses</b>	\$350	\$100	\$350	New website provider, domain name, etc.
	<b>Insurance Expense</b>	\$1,981	\$1,609	\$2,300	Waiting on quote for Director and Officer, and Fidelity. No increase in the rate
	<b>Irrigation equipment repairs</b>	\$525	\$811	\$525	Based on 2017. Also aging irrigation equipment
	<b>Lawn &amp; Tree Maintenance</b>	\$4,450	\$3,570	\$4,450	cost increase, possiable new vendor
	<b>Office Supplies</b>	\$150	\$140	\$150	same as last year
	<b>Postage and PO Box</b>	\$250	\$164	\$160	based on 2018 estimated
	<b>Printing and Reproduction</b>	\$100	\$60	\$60	based on 2018 estimated
	<b>Professional Fees</b>	\$1,500	\$1,268	\$1,500	same as last year
	<b>Snow removal</b>	\$1,000	\$700	\$1,500	estimate based on 2018 contract rate
	<b>Social Functions</b>	\$0	\$0	\$0	Voted to make this an optional contribution for 2018
	<b>Utilities</b>	\$4,900	\$4,216	\$4,430	Based on 2018 adjusted actual and 4% estimated water rate increase for 20
<b>Total Expenses</b>		\$17,706	\$15,028	\$17,925	
<b>EXCESS OF REVENUE OVER EXPENSES</b>		\$0	\$3,123	\$0	

**2019 Dues: \$308 Base Assessment + \$42 Insurance = \$350 due on**

\* proposed 2019 assessment of \$350 per lot breaks downs as \$308 for base assessment plus \$42 for insurance.

2/15/19

Note : Management recommends that any 2018 budget surplus be transferred to the replacement reserves account.

# MEMBER QUESTIONS

- **Open the floor to the members**



# ADJOURN

- **Thank you for your participation!**
- **See you in the spring at our next community event.**
- **Next annual meeting**
  - **December 5, 2019 (Thursday) at 6:00 pm**
  - **Citizens Service Center**  
**1675 W. Garden of the Gods Rd., Ste. 1017**  
**Colorado Springs, CO 80919**

# APPENDIX

- **Explanation of budget categories**

# EXPLANATION OF BUDGET CATEGORIES

## Revenue

### **HOA Assessments**

Revenue received from owner assessments. Due Feb 15<sup>th</sup> each year to fund HOA expenses.

### **Less: Replacement Reserves**

Money transferred from our checking account to Replacement Reserves (savings) account. The Replace Reserve account is to cover long-term capital replacement / repairs on items such as the HOA landscaping, sidewalk, etc. that have a limited life expectancy and will need to be repaired or replaced from time to time. This fund serves in lieu of special assessments for expenses in excess of our budget or for large expense that provide benefit for many years.

### **Arch./ Landscape / Color Review Fees**

This is a legacy category when we previously required a fee to be paid for architectural and landscape submissions. This fee was the same as the cost to process said submissions.

### **Title Co & Admin Fees**

Fee charged to new home buyers to offset the burden the title companies require of the HOA to provide a seller good standing letter and financials.

### **Working Capital Contributions**

Fee charged to new home buyers, as required in our governing documents.

### **Fine Income**

Fines paid by members for bylaw and covenants violations. We hope to avoid this and as a result we don't rely on this money for anything.

### **Late Fee - HOA Dues**

Penalty paid by members for not paying their annual dues in full or having a payment plan agreed to by Feb 15<sup>th</sup>. We hope to avoid this and as a result we don't rely on this money for anything.

# EXPLANATION OF BUDGET CATEGORIES

## **Expense**

### **Administrative Services**

The volunteer board has decided to contract with a HOA management company called, 6510 Property Management. This company is owned and operated by Frank Hibbitts who is a resident and HOA member. He is not on the Board of Directors, and as such does not vote on HOA business matters, however being a Certified Community Association Manager, he does provide professional guidance on a wide variety of HOA issues. He is an independent contractor hired to perform management, accounting, and financial services for the HOA. The board also has the choice to use additional services and pay per occurrence for such items as letter or newsletter writing if the board is unable to find a willing and competent volunteer to perform the task in a timely manner. In 2017 we attempted to change HOA management companies, but quickly learned we are unable to afford comparable services at full market rates.

### **Business Permits and education**

The HOA is required to register and do yearly reports with various state agencies. We also use this category for Board of Directors training and membership in community association education and advocacy organizations such as CONO or CAI.

### **Computer and Internet Expenses**

The cost of operating our HOA website which includes domain registration fees, hosting fees, and any programming that might be needed by outside parties.

### **Insurance Expense**

The HOA has several assets and liabilities to insure for. Purchasing insurance for these items is the responsible thing to do to protect our members, as we don't have money to cover these potential liabilities.

**Association Professional Liability (Director and Officer) Insurance** – This type of coverage is designed to protect the Associations and named insureds against “wrongful acts” allegations that can include: Discrimination, Failure to adhere to governing documents, Libel and slander, Defamation of character, Breach of fiduciary duty, Breach of contract, and Wrongful conduct. This is a condition of several board members volunteer commitment.

**Commercial Property and Liability Insurance** – this covers the HOA common area, which includes approximately 650 feet of fence, 15 brick pillars, 700 feet of sidewalk, about 15,800 sqft (0.36 acre) of grass, numerous trees, and a 20-year-old irrigation system. This insurance protects against damage or loss. This Policy also provides general liability coverage.

**Fidelity and Crime** – This is to protect the HOA from theft and certain types of fraud by the board of directors, volunteers, and management companies. It is coverage is required per our governing documents.

**Workman Compensation** - This protects the HOA from liability claims from uninsured vendors and their employees, should one or more of their workers gets injured while performing services for the HOA. This type of insurance is not needed if we only hire vendors that have their own workman compensation insurance. We needed this coverage last year since we contacted with an uninsured HOA member to take care of snow removal.

# EXPLANATION OF BUDGET CATEGORIES

## Expense

### **Irrigation Equipment Repairs**

Our irrigation system was initially installed in 1999. Every year something fails whether it be sprinkler heads, solar storage battery, underground pipes, back flow valves, or zone valves. We contract with our landscaper to perform these repairs and manage our sprinkler system operation.

### **Lawn & Tree Maintenance**

This is for landscaping maintenance. We contract for with a professional landscaper to mow, fertilize, aerate, control weeds, prune trees, water grass, and winter water young trees.

### **Office Supplies**

This is items needed to operate the HOA and might include paper, backup storage devices for files, and sandwich boards.

### **Postage and PO Box**

We have decided to maintain a PO Box for paper bills, paper checks, and other miscellaneous mailings that the HOA might receive. We also use this category for stamps for notices to those who have not yet provided an email address to the HOA.

### **Printing and Reproduction**

Cost to print paper documents for the HOA annual meeting, mass paper mailings, flyers, etc.

# EXPLANATION OF BUDGET CATEGORIES

## Expense

### **Professional Fees**

**This covers legal advice and services for violation disputes, and other HOA business as needed. It also includes annual tax return preparation by our CPA.**

### **Snow Removal**

**Cost to keep our private sidewalk in the HOA common area clear of snow in the winter time. We currently are contracted with our landscapers for this service and pay \$150/occurrence of  $\geq 2$ ". Last year we had HOA member Dennis Delahoy perform this with his snow blower for a minimal fee saving us significant expense.**

### **Social Functions**

**We still keep track and manage the HOA volunteer social fund within our HOA financials. These funds come from volunteer contributions and not HOA dues.**

### **Utilities**

**This is our water bill. We use a solar to power our irrigation controller, so our own utility is water. As a commercial customer we are required to pay higher than residential storm water fees. We disconnect service for the winter to save fees, but do have pay to reinstate service in the spring which still saves us some money. Our monthly summer water bill is typically between \$500-\$1,000.**