



SOMERSET ESTATES HOMEOWNERS ASSOCIATION

March 29, 2022 Annual Meeting Information

February 28, 2022

Dear Somerset Estates Homeowner,

You are cordially invited to attend the fourth Annual Meeting of the Somerset Estates Homeowners Association (SEHOA) on Tuesday, March 29 at 7 PM. You have a choice of attending in person, by Zoom, or by proxy. **A quorum of 20% of Members is required to conduct business at this meeting,** so please either attend **or submit a proxy.** If you are unsure if you will attend the meeting either in person or by Zoom, we ask that you submit the proxy form in advance as you may still revoke your proxy if you decide to attend.

If you want to attend in person: The in-person meeting location is the home of **Melissa and Tim Koller, 6511 Primrose Lane.** **A social hour starting at 6 PM will precede the meeting.** This is a great chance to meet some neighbors! Refreshments will be provided.

If you want to attend by Zoom: The log-in is Meeting ID: 899 3582 3817 and Passcode: 197480.

If you want to provide a proxy: Please return the enclosed proxy form by emailing scan or photo to info@somersetestates-hoa.com, giving it to the person you chose as your proxy representative, or mailing it to P.O. Box 621, Niwot CO 80544.

This letter constitutes the notice requirement of the Bylaws. The main purposes of the meeting are to ratify the 2022 budget and to elect two directors for two-year terms on the Executive Board. We will also present an update on our current status and plans for the year ahead.

Please note that only Members that are no more than 30 days late in the payment of assessments and are otherwise in good standing are entitled to vote. Please contact our property manager, Allan Orendorff, at trioproperty@comcast.net if you are unsure whether you are current in your payments through the January 1, 2022 invoice.

Order of Meeting

- Social Hour (starting at 6 PM)
- Budget Meeting (starting at 7 PM)
 - Ratification of 2022 Budget (enclosed)
- Business Meeting
 - Approval of Minutes from March 16, 2021 Annual Meeting (enclosed)
 - Update by Current Board
 - Statements from Candidates for the Board
 - Candidate Q&A
 - Executive Board election
 - Member Open Forum

2022 Proposed Budget

At the Executive Board meeting on February 15, 2022, the Board passed a resolution to adopt the enclosed 2022 Proposed Budget. **The proposed budget sets the quarterly assessment at \$700/qr starting on April 1, 2022.** As the 2022 annual assessment of \$2775 (\$675 in first quarter and \$700 for next three quarters) is not greater than 110% of the 2021 annual assessment of \$2700, the budget shall be deemed ratified unless at the meeting a majority of all Members (meaning 45 Members) vote to reject the budget. The budget ratification vote will be held by show of hands (including virtual “hands” on Zoom).

Please note that if the proposed dues increase of \$25/qr is ratified, it will go into effect for the April 1, 2022 payment that is due shortly after the meeting. Please revise any automatic payments accordingly. **If you are not yet set up with AppFolio online payments administered by our property manager, please contact him at trioproperty@comcast.net.**

As explained last year, we treat the budget as if we have two separate funds – “Operating” and “Reserves”. In actuality, there is only one set of books, but this distinction is aligned with the reason for the \$445,000 Special Assessment in 2021, which was to fund capital projects and build reserves. The detailed proposed 2022 budget and final results for 2021 are enclosed, with summary below.

2022 Proposed Budget Summary

2022 Dues	
\$2775 for year per Lot	(\$675 in Q1; \$700 in Q2-Q4)
Operating Budget	
Revenue	\$247,975
Less Operating Expenses	<u>(\$157,900)</u>
Excess of Operating Revenue over Expenses	\$90,075
Reserves Budget	
Revenue	\$4,570
Less Capital Expenses	<u>(\$198,500)</u>
Deficiency of Reserves Revenue over Expenses	(\$193,930)
Starting Combined Cash	\$459,864
Plus Excess of Operating Revenue over Expenses	\$90,075
Less Deficiency of Reserves Revenue over Expenses	<u>(\$193,930)</u>
Projected Ending Cash	\$356,009

Election of Executive Board Members

SEHOA’s five Executive Board members serve staggered two-year terms, so each year there are either two or three vacancies. The terms of Scott Abrahamson and Herb McPherson come to an end as of this meeting, so **there are two vacancies this year.** (The terms of Paula Hemenway, Pea Lawson, and Steve Lehan extend another year, ending in March 2023.)

Scott has agreed to stand for election for another two-year term. Anthony Chirikos has also submitted a candidacy statement (see enclosed). We are grateful for their willingness to volunteer! Therefore, **we currently have two candidates prepared to fill the two open seats.**

Any other Members interested in running for the Board are invited to do so by sending an email to info@somersetstates-hoa.com no later than March 22nd. Nominations may also be made from the floor. Please see the enclosed information sheet for more details on Board responsibilities.

If more than two Members are candidates for the two open positions (a “contested election”), the election must be held by secret ballot. It will be helpful to know of other candidates prior to the meeting so that we can be prepared to use the voting function on Zoom. It is possible that in the case of a contested election, the Board will decide to adjourn the meeting and mail secret ballots to Members shortly after the adjournment.

Directory Information Request

Enclosed is a form the Social and Welcome Committee would like for you to fill out and return by emailing a scan or photo to info@somersetstates-hoa.com, mailing to P.O. Box 621, Niwot CO 80544, or bringing to the meeting. **This is completely optional.** More information is included with the form.

A lot has happened during the last year. We look forward to sharing our progress and plans. We hope that you will attend the meeting.

Your Somerset Estates Homeowners Association Executive Board

Scott Abrahamson, President
Steve Lehan, Vice President
Paula Hemenway, Secretary
Herb McPherson, Treasurer
Pea Lawson, Director

Executive Board Candidate General Information

As stated in the Bylaws for Somerset Estates Homeowners Association (available on somersetstates-hoa.com under Library >> Governing Documents), Directors will be elected for two Executive Board positions at the Annual Meeting on March 29, 2022 (or any adjourned session thereof). Directors are elected for two-year terms. The Directors will elect officers: President, Vice President, Secretary, and Treasurer. Following is a general description of the duties of Directors. More detailed information on the responsibilities of Directors and officers can be found in the Bylaws.

Responsibilities of Directors (partial list)

- Attend regular and special meetings of the Executive Board and homeowners. The Board has been meeting on the third Tuesday evening of the month. The new Board will decide whether to continue with this schedule.
- Prepare for these meetings, including preparation of homeowner communication documents, policies, minutes, financial reports, etc.
- Adopt budgets for revenues, expenditures, and reserves.
- Set and collect assessments for common expenses.
- Hire and discharge managing agents, independent contractors, and agents.
- Institute, defend or intervene in litigation or administrative proceedings in the Association's name on matters affecting the Community or Association.
- Make contracts and incur liabilities on behalf of the Association.
- Regulate the use, maintenance, and replacement of common elements and cause additional improvements to be made as a part of the common elements.

Executive Board Candidate Statements

The following candidates submitted statements prior to the mailing of this package. Additional candidates wishing to be included in the election are invited to submit a statement of their interest to info@somersetstates-hoa.com. **Statements should be received by March 22, 2022.**

Scott Abrahamson – My wife Candace and I moved to Somerset Estates in 2018, just as SEHOA was forming as a separate HOA. I served on the Architectural Control Committee starting in September 2018 until I was appointed to fill a vacancy on the Executive Board in December 2020. I have been President for the past year. My main goals for the upcoming year are to oversee the completion of capital projects and to help the community continue to improve. My career is as mechanical engineer in various corporate and university positions.

Anthony Chirikos – I'm a native of Boulder County and I've lived in Somerset Estates since 2013. My wife Wendy and I have two children at Niwot Elementary School. My professional background is in finance and I'm a private equity professional, having recently started my own private investment firm with two business partners. I have historical experience with our HOA, having served as a Director of the Somerset HOA from 2015-2018, and then as a Director of the inaugural SEHOA Board from 2018-2019. In 2019 I decided I needed a break from "public service," so I dropped off the board for a few years but continued to assist our neighborhood by serving on the HOA's Water Committee. I believe our neighborhood is very unique, and I look forward to rejoining the Board and assisting with current projects and issues.

Somerset Estates Homeowners Association
2021 YEAR-END TOTALS AND 2022 PROPOSED BUDGET
OPERATING FUND

	Approved 2021 BUDGET	Actual 2021 TOTALS	Proposed 2022 BUDGET
OPERATING REVENUE			
Homeowner Dues	\$ 240,300	\$ 238,950	\$ 246,975
Violations and Fines		\$ 1,577	
Late Fees/Finance Charges		\$ 112	
Transfer Fee Revenue		\$ 1,500	
Member Service Reimbursement/Fee Recovery		\$ 210	
Miscellaneous Revenue (<i>Water Feature Subsidy</i>)	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL OPERATING REVENUE	\$ 241,300	\$ 243,349	\$ 247,975
OPERATING EXPENSES			
Administrative			
Accounting Fees	\$ 270	\$ 262	\$ 270
Bank Charges & Fees	\$ 60	\$ 12	\$ 20
Business filing Fees	\$ 40	\$ 29	\$ 30
Insurance	\$ 9,000	\$ 7,512	\$ 8,500
Legal	\$ 2,500	\$ 1,260	\$ 8,000
Legal - other (water)	\$ -	\$ -	\$ 1,000
Meeting Expense	\$ 200	\$ 142	\$ 200
Miscellaneous	\$ 1,250	\$ -	\$ 200
Office Expense & Supplies	\$ 250	\$ 165	\$ 200
Postage & Delivery	\$ 480	\$ 454	\$ 500
Printing & Reproduction	\$ 690	\$ 601	\$ 700
Property Manager Fees	\$ 13,800	\$ 13,800	\$ 15,000
Supplemental Property Management	\$ 10,000	\$ -	\$ -
Property Transfer Fee	\$ -	\$ 1,750	\$ -
Storage	\$ 1,200	\$ 1,149	\$ 1,500
Taxes	\$ 60	\$ -	\$ -
Web-site Hosting/Domain/Cloud Storage	\$ 2,300	\$ 4,107	\$ 4,300
Total Administrative	\$ 42,100	\$ 31,242	\$ 40,420
Landscape Maintenance			
Aeration	\$ 588	\$ 588	\$ 600
Clean-up Spring/Fall	\$ 3,032	\$ 3,032	\$ 3,100
Holiday Decoration	\$ 3,000	\$ 2,250	\$ 2,300
Irrigation Maintenance	\$ 20,000	\$ 12,530	\$ 13,000
Lawn Fertilization/Weed Control	\$ 7,700	\$ 7,733	\$ 8,100
Miscellaneous Landscape	\$ 1,500	\$ 1,882	\$ 2,000
Mowing - Irrigated	\$ 14,170	\$ 13,625	\$ 13,630
Mowing - Non-irrigated	\$ 2,010	\$ 2,010	\$ 2,010
Shrub Pruning	\$ 3,440	\$ 1,761	\$ 1,800
Snow Removal	\$ 6,400	\$ 4,436	\$ 5,500
Trash Removal & Dump Fees	\$ 2,000	\$ 3,089	\$ 3,200
Tree Maintenance (<i>Fertilizer & Bug Control</i>)	\$ 500	\$ 780	\$ 800
Tree Trimming and Removal	\$ 12,000	\$ 10,249	\$ 7,000
Gardens/Flowers	\$ 9,700	\$ 9,110	\$ 7,700
Weeding Gardens	\$ 1,860	\$ 1,854	\$ 1,900
Total Landscape Maintenance	\$ 87,900	\$ 74,930	\$ 72,640
Infrastructure Maintenance			
Electrical/Light Maintenance	\$ 630	\$ 2,535	\$ 8,000
Fence Maintenance	\$ 1,000	\$ 1,597	\$ 1,500
Miscellaneous Maintenance	\$ 220	\$ 183	\$ 200
Path/Sidewalk Maintenance	\$ 850	\$ 1,007	\$ 3,100
Pond Maintenance (cattail/reed removal)	\$ 10,000	\$ 7,187	\$ 8,000
Pump Maintenance	\$ 1,000	\$ -	\$ 1,000
Utility Locating	\$ 1,200	\$ 495	\$ 540
Total Infrastructure Maintenance	\$ 14,900	\$ 13,004	\$ 22,340
Water and Utilities			
Electricity	\$ 14,700	\$ 13,884	\$ 17,000
Water - Ditch fees	\$ 500	\$ 4,828	\$ 500
Water - Leased	\$ 3,000		\$ 5,000
Total Water and Utilities	\$ 18,200	\$ 18,712	\$ 22,500
TOTAL OPERATING EXPENSES	\$ 163,100	\$ 137,887	\$ 157,900
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 78,200	\$ 105,462	\$ 90,075

Somerset Estates Homeowners Association			
2021 YEAR-END TOTALS AND 2022 PROPOSED BUDGET			
RESERVE FUND			
	Approved 2021 BUDGET	Actual 2021 TOTALS	Proposed 2022 BUDGET
<u>RESERVE REVENUE</u>			
Special Assessment	\$ 445,000	\$ 442,500	\$ 2,500
Transfer from SHOA - one-time	\$ -	\$ 14,125	\$ -
Interest Revenue on Reserve Fund	\$ 800	\$ 1,227	\$ 2,070
<u>TOTAL RESERVE REVENUE</u>	\$ 445,800	\$ 457,852	\$ 4,570
<u>CAPITAL EXPENSES</u>			
Water Rights Management			
Legal - Other			
Water attorney - water asset resolution	\$ 5,000	\$ 11,162	\$ -
Real property attorney - quiet title on outlots	\$ 8,000	\$ -	\$ -
Total Water Rights Management	\$ 13,000	\$ 11,162	\$ -
Water System Infrastructure			
Transfer line from Pond 1 to Pond 2	\$ 40,800	\$ 103,164	\$ 1,000
Upgraded meter on ditches	\$ 7,000	\$ 445	\$ 25,000
Irrigation modifications to separate from SHOA	\$ 6,100	\$ -	\$ 10,000
Pond 1 transfer line pump	\$ 7,100	\$ 11,492	\$ -
Pump house at Pond 1 roof, door, and paint	\$ -		\$ 4,000
Total Water System Infrastructure	\$ 61,000	\$ 115,101	\$ 40,000
Irrigation System			
Irrigation Major Repairs	\$ 15,000	\$ 13,716	\$ 15,000
Total Irrigation System	\$ 15,000	\$ 13,716	\$ 15,000
Water Features (Ponds and Waterfall)			
Pond liner repairs	\$ 12,000	\$ 3,553	\$ 10,000
Total Water Features	\$ 12,000	\$ 3,553	\$ 10,000
Water System Professional Fees			
Water Systems Consulting - Project Planning/Mgmt	\$ 10,000	\$ -	\$ -
Water Systems Other (Operations Manual)	\$ 15,000	\$ -	\$ 12,500
Total Water Systems Professional Fees	\$ 25,000	\$ -	\$ 12,500
Hardscape (Fences, Paths, Monuments)			
Fence Refurbishment and Replacement	\$ -	\$ -	\$ 16,000
Hardscape Refurbishment	\$ 5,000	\$ -	\$ -
Path replacement	\$ 30,600	\$ 58,892	\$ 25,000
Major repairs of entrance monuments at Hwy 52	\$ 23,400	\$ -	\$ 28,000
Major repairs of street monuments	\$ 18,000	\$ -	\$ 27,000
Center island focal lighting at Hwy 52	\$ -	\$ -	\$ 10,000
Other lighting	\$ -	\$ -	\$ 10,000
Total Hardscape	\$ 77,000	\$ 58,892	\$ 116,000
Softscape (Master Plan, Trees, Vegetation)			
Master Landscape Plan	\$ 10,000		\$ -
Cyclical Landscape Refurbishment	\$ -	\$ 10,290	\$ 5,000
Total Softscape	\$ 10,000	\$ 10,290	\$ 5,000
<u>TOTAL CAPITAL EXPENSES</u>	\$ 213,000	\$ 212,713	\$ 198,500
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 232,800	\$ 245,139	\$ (193,930)